



**Sonoma County Community Development Commission
Sonoma County Housing Authority**
1440 Guerneville Road, Santa Rosa, CA 95403-4107

*Members of the
Commission*

James Gore
Chair

Chris Coursey
Vice Chair

**Susan Gorin
Lynda Hopkins
David Rabbitt**

Dave Kiff
Interim Executive
Director

Request for Developer Qualifications and Proposals

Project Homekey Sites – Sonoma County Community Development Commission

The Sonoma County Community Development Commission (Commission) is soliciting qualifications and conceptual proposals from qualified development firms for the renovation, construction and long-term management or ownership of three sites currently owned by the Sonoma County Community Development Commission for conversion to permanent supportive housing:

Mickey Zane Place – 44 units located at 635 Healdsburg Avenue, Santa Rosa, CA

Elderberry Commons – 31 units located at 6571 Sebastopol Avenue, Sebastopol, CA

Georges Hideaway – up to 21 units located at 18084 Highway 116, Guerneville, CA

Qualified development teams will demonstrate organizational capacity and experience with successful, high-quality affordable housing, homeless services and permanent supportive housing. Two of the sites will require remodeling and renovations (Mickey Zane and Elderberry), while George's Hideaway will require both renovation and new construction to achieve the Project Objectives.

This document contains background information about the properties and the general parameters of each property.

Background

Property Descriptions

Mickey Zane Place



Telephone (707) 565-7500
FAX (707) 565-7583 • TDD (707) 565-7555



Mickey Zane Place is a 44-unit motel property acquired by the CDC in November 2020 under the Project Homekey program of the State of California. The building is approximately 16,842 square feet in size and has a lobby, small office and common area that was formerly used as a small restaurant. The building was originally constructed in 1965 and renovated in or around 2012. Since purchasing the property, CDC has constructed an exterior security fence and gate system, installed a resident laundry facility, built an outdoor play and pet area and done selected repairs including new water heater and new HVAC units in the rooms. Two rooms are fully ADA accessible. The property currently has 18 parking spaces on site.

Mickey Zane Place was acquired by the CDC as part of Project Homekey in 2020 and is currently being operated as a Transitional Housing property to serve Covid vulnerable homeless population. The property has a 10-year use covenant restricting the use of the property, which is included in the Exhibits.

The property is the subject of a Standard Agreement between the CDC and the State of California Department of Housing and Community Development (HCD). The terms of the Standard Agreement will apply to the project. Any proposed transfer of ownership of the Property during the term of the Standard Agreement will require the consent of the California Department of Housing and Community Development ("HCD").

Elderberry Commons

Elderberry Commons is a 31-unit motel property acquired by the CDC in December 2020 under the Project Homekey program of the State of California. The building is approximately 11,000 square feet in size and has a lobby, office and laundry room. The building was originally constructed in 2000. Since purchasing the property, CDC has demolished the swimming pool and built a resident laundry facility. One room is fully ADA accessible. The property currently has 31 parking spaces on site. The property was built as part of the Gravenstein Station mixed use development and there are CC&Rs that apply to the hotel property as well as the parking lot and other common area. Please refer to the Exhibits for these materials.

Elderberry Commons was acquired by the CDC as part of Project Homekey in 2020 and is currently being operated as a Transitional Housing property to serve Covid vulnerable homeless population. The property has a 10-year use covenant restricting the use of the property, which is included in the Exhibits.

The property is the subject of a Standard Agreement between the CDC and the State of California Department of Housing and Community Development (HCD). The terms of the Standard Agreement will apply to the project. Any proposed transfer of ownership of the Property during the term of the Standard Agreement will require the consent of the California Department of Housing and Community Development ("HCD").

Georges Hideaway

Georges Hideaway is a property acquired by the CDC in April 2022 under the Project Homekey program of the State of California. The site consists of approximately 2 acres and contains two building structures

- The main lodge building consists of approximately 4,400 square feet with a former bar, restaurant and office on the ground floor and 6 lodging rooms on the second floor.
- There is a two-story structure that currently contains 2 residential apartment units.
- The remainder of the site consists of a flat area (part of Parcel 1) and two adjacent hillside parcels.

The buildings were constructed in 1916 and are considered as potentially historic resources.

West County Community Services has been selected by the CDC as the service provider for Georges Hideaway. Please refer to the Project Homekey application for information concerning their involvement and role in the project. It is anticipated that the successful developer will enter into agreement(s) with West County concerning the project, and that those initial agreements shall be subject to the CDC's review and approval.

Any proposed transfer of ownership of the Property during the term of the Standard Agreement will require the consent of the California Department of Housing and Community Development ("HCD").

The CDC has started the process of annexing the site to the Russian River County Sanitation District to allow a sewer connection for the project. It involves the Local Agency Formation Commission and a likely expansion of the Sphere of Influence (SOI). The developer shall be responsible for assisting the CDC in processing and securing the annexation to allow sanitary sewer connection for the site.

Project Objectives

The CDC's objectives in undertaking these projects are

1. Development of high quality permanent supportive housing that meets the needs of the area in which the respective property is located.
2. Conformance with HCD requirements contained in the Standard Agreement and NOFA.
3. Assurance of long term financial and operational stability of the projects.
4. Minimize the financial obligation of the CDC and the Sonoma County Department of Public Health.

Affordability

The Project Homekey Standard Agreement and NOFA require that all units in the projects be restricted to households earning no more than 30% of Area AMI. Two of the sites are the subject to a 10-year Use Covenant (Mickey Zane and Elderberry Commons); in addition, there is a requirement that the property be subject to a 55-year affordability and use covenant upon conversion to permanent supportive housing.

Georges Hideaway will be subject to a 55-year affordability and use covenant requirement (NOTE: the agreement has not yet been drafted).

CDC expects that the affordability and use covenant will take the form of a Regulatory Agreement.

Developer Qualifications

Capacity

The Commission is seeking a development team with substantial financial capacity, access to credit, and real estate development experience. Interested parties should submit financial statements and other evidence of bank relationships sufficient to demonstrate financial strength. These documents will be considered proprietary and will not be subject to disclosure as part of public records.

Track Record with Quality Development Projects

Developers should provide information and descriptions of past development projects, including photographs, sample project data, examples of financial modeling, and how such past projects or buildings have performed since initial construction. Information that clearly demonstrates the ability to execute quickly on this development opportunity should be provided.

Successful Property Management Experience

The Commission is seeking a developer with experience effectively managing its completed properties, whether in-house or in partnership with a qualified third-party property management company. This includes affirmatively marketing available units to historically under-served and non-English speaking populations, demonstrating a clear commitment to the principals of fair housing, and designing lease requirements to ensure that a peaceful and safe environment is maintained for tenants and neighbors of the property.

Supportive Services

Developers must demonstrate that they or members of their team have experience with the delivery and coordination of supportive services. Please be specific about the type of supportive service and the targeted population.

Development Standards and Entitlements

Each project shall be subject to the entitlement and approval process of their own respective jurisdiction. The current zoning and land use information is provided for each property below.

The securing of all approvals and entitlements is the sole responsibility of the developer. The CDC shall reasonably cooperate with the developer in the securing of all such permits and entitlements.

Proposers should evaluate and describe the type of environmental review that they believe would be required for their proposed approach to each project.

Process

The CDC is willing to consider different ownership and management approaches to the properties, including (but not limited to) purchase and sale, long term lease; or other structure. However, the CDC's preference is for the developer to purchase the properties outright and for the CDC's only long-term involvement in the properties be limited to a Regulatory Agreement to ensure the maintenance of the affordable housing units. A sample of the Regulatory Agreement is attached.

The CDC anticipates entering directly into negotiations for the final transactional documents (Purchase and Sale Agreement or Lease Agreement) with the selected respondent based on the process contained in this RFQ. Any final agreement will be subject to the approval of the Board of Supervisors.

Summary of Developer and Commission responsibilities

The Commission anticipates that the successful Developer will undertake the following:

- Establish a fair, effective, and collaborative partnership with the Commission.
- Work collaboratively with the community during the planning process.
- Prepare a development and management plan in collaboration with the Commission which meets the Commission's development objectives.
- Lead and manage any land use and environmental entitlement process.
- Provide funding for the predevelopment and planning process.
- Negotiate the Transaction Documents for the property.

Proposal Submission Requirements

One electronic copy of the proposal should be submitted.

Due Date

Proposals will be received on a first come, first serve basis. The Commission reserves the right to select developer(s) with whom to negotiate at any time following the initial submittal date of **August 22, 2022**. The RFP will be active for a period lasting until December 30, 2022.

One (1) digital version of the complete proposal downloaded on a USB drive.

The due date is subject to change. If the due date is changed, all known recipients of the original RFQ will be notified of the new date, and any such changes will also be posted on the Sonoma County Purchasing Division's Supplier Portal as well as the Commission's website.

For questions or issues regarding the submission of this proposal, please contact Ray Tovar at ray.tovar@sonoma-county.org.

Format and Contents

For ease of review and to facilitate evaluation, the Proposal for this project should be organized and presented in the following order:

1. Signed Cover Sheet

2. Proposal Overview

The proposal should include a general description of the conceptual plan of the development being proposed which should include the following:

- Descriptive narrative, including the proposed resident population being targeted.
- Proposed structure (purchase, long term lease, management agreement).
- Services plan.
- Configuration (type of units) and unit square footages.
- Parking approach.
- Proposed Timeline.
- Estimated cost of conversion to housing.
- Tenant relocation plan (NOTE – a Relocation Plan has been prepared and submitted to HCD for Mickey Zane Place and Elderberry Commons).
- Property management approach and experience, including fair housing affirmative marketing strategies.

3. Financing Plan and Cost Assumptions – Transaction Structure

- The proposal should include all funding sources and amounts of funding anticipated to be used to develop the project (and information regarding restrictions on such funds).
- Indicate what other funding sources, including any federal, state or local funding which may be necessary.
- The use of housing vouchers should be clearly identified. Project Based Vouchers are potentially available from the Sonoma County Housing Authority for Elderberry Commons and George's Hideaway.

- A non-binding draft term sheet should be prepared that identifies the main terms of the proposal (purchase price, lease terms, etc.).

4. Unit Mix

- Indicate the expected mix of unit types anticipated in the project(s)
- Describe the concept for the development of any new units

5. Organizational Information

- Provide specific information concerning the applicant organization, including the legal name, address and telephone number, and the type of entity (sole proprietorship, partnership, or corporation and whether public, non-profit or private). Include the name and telephone number of the person(s) in the company authorized to execute any proposed agreement, and designate a person to be the point of contact for the Commission for this process.
- Identify the development team that will be assigned to this project, including proposed developer partners, architect and engineers, general contractor, property management firm, financial consultant, and legal counsel (if available)
- Debarment or other disqualification: Provide DUNS Number/Unique Entity ID and disclose any debarment or other disqualification as a vendor for any federal, state or local entities. Describe the nature of the debarment/disqualification, including where and how to find complete information on any such debarment or disqualification.

6. Qualifications

- Resume(s) of key personnel who will be assigned to work on this development project showing relevant professional qualifications. Include references or letter of recommendations that address these qualifications if applicable.
- Specific information concerning the organization's experience in the development of similar properties (i.e., mixed-income, multifamily housing). If available, provide examples of projects developed in partnership with public agencies.
- Pipeline of all other development projects the company has currently underway, and an organizational chart demonstrating how this project would be staffed and managed.

7. Disclosure of ongoing litigation

- Please clearly describe any ongoing litigation involving your organization.
- The nature of ongoing litigation will be weighed on a case-by-case basis and may be taken into consideration in the evaluation of your proposal.

Respondent Questions and Pre-Submission Meeting

Respondents are invited to attend an optional conference scheduled on **Thursday, August 4 at 3:00 p.m.** The conference will be held at the Sonoma County Community Development Commission office, 1440 Guerneville Road, Santa Rosa, CA. 95403.

If respondents have any additional questions following the conference, they must be submitted in writing in order for staff to prepare written responses. Written questions and answers will be shared with all potential responders through an email notification from the Commission. Please e-mail questions to Ray Tovar at Ray.tovar@sonoma-county.org. Questions will not be accepted by phone.

Corrections and Addenda

1. If a proposer discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFQ, the proposer shall immediately notify the contact person of such error in writing and request clarification or modification of the document. Modifications will be made by addenda as indicated below to all parties in receipt of this RFQ.
2. If a proposer fails to notify the contact person prior to the date fixed for submission of proposals of a known error in the RFQ, or an error that reasonably should have been known, the proposer shall submit a proposal at their own risk, and if the proposer is awarded a contract they shall not be entitled to additional compensation or time by reason of the error or its subsequent correction.
3. Addenda issued by the Commission interpreting or changing any of the items in this RFQ, including all modifications thereof, shall be incorporated in the proposal. The proposer shall submit the addenda cover sheet with the proposal and deliver them to the Commission. Any oral communication by the Commission's designated contact person or any other Commission staff member concerning this RFQ is not binding on the Commission and shall in no way modify this RFQ or any obligations arising hereunder.

Additional Information

The Commission may, during the evaluation process, request from any proposer additional information which the Commission deems necessary to determine the proposer's ability to perform the required services. If such information is requested, the proposer shall be permitted three (3) business days to submit the information requested.

Reservation of Rights

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

- a. Waive or correct any defect or informality in any response, submittal, or submittal procedure.

- b. Reject any or all submittals.
- c. Re-issue an RFQ or change deadline dates.
- d. Modify all or any portion of the selection procedures, prior to the submission deadline, 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 submittals.

All submittals shall be deemed public records with the exception of financial statements and other evidence of bank relationships sufficient to demonstrate financial strength referenced in the Developer Qualifications section above. In the event that a respondent desires to claim portions of its submittal exempt from disclosure, it is incumbent upon the respondent to clearly identify those portions with the word "confidential" printed on the lower right-hand corner of the page. The Commission will consider a respondent's request for exemption from disclosure; however, the Commission will make a decision based upon applicable laws. Assertions by a respondent that the entire submittal or large portions are exempt from disclosure will not be honored. If the Commission rejects a request for exemption from disclosure, the Commission shall notify respondent of such rejection prior to evaluation of responses. The respondent may elect in writing to withdraw its submittals prior to evaluation of responses by County, or, if no such election is made, respondent shall be presumed to have elected to proceed without exemption from disclosure. All responses to this RFQ shall become the property of the Commission and will be retained or disposed of accordingly.

The Commission shall not be liable for any pre-contractual expenses incurred by any respondent. The Commission shall be held harmless and free from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFQ.

The Commission reserves the right to select the proposal(s) which in its sole judgment best meets the needs of the Commission and to award to only one or multiple qualified submittals. *The proposed cost is neither the sole nor the primary criterion for recommending contract award.* The Commission also makes no guarantee of any or equal amounts of work.

All data and information furnished by Commission or referred to in this RFQ are furnished for the respondent's convenience. The Commission does not guarantee that such data and information are accurate and assumes no responsibility whatsoever as to its accuracy or interpretation. Respondents shall satisfy themselves as to the accuracy or interpretation of all such information and data.

The Commission reserves the right to negotiate any price or provisions and accept any part, or all parts of any or all submittals, whichever is in the best interest of the Commission.

All respondents submit their statements to the Commission with the understanding that the final approval of any agreement is contingent upon and subject to review and final approval by the Board of Supervisors.

For additional information on this RFQ, please contact Ray Tovar at ray.tovar@sonoma-county.org

Notice of Intent to Award and Protest Period

Any directly affected party who is aggrieved in connection with this award may file a protest regarding the action. Such protest must be filed in writing with:

*Sonoma County Community Development Commission
Attn: Executive Director
1440 Guerneville Road
Santa Rosa, CA 95403*

Protests must be filed within seven (7) calendar days from the date of the Notice of Intent to Award. Failure to timely file a protest shall constitute a waiver of any right to protest. Untimely protests will not be accepted or considered. Any protest shall:

- State in detail each and every ground asserted for the protest, citing to the law, rule, local ordinance, procedure or bid provision on which the protest is based; and
- Identify the remedy sought. Any party submitting a proposal or a party representing a proposer shall not influence or attempt to influence any member of the selection committee, any member of the Board of Supervisors, or any employee of the County of Sonoma, with regard to the acceptance of a proposal. Any party attempting to influence the RFQ process through ex-parte contact may be subject to rejection of their proposal.

Criteria

Submittals will be reviewed by the following criteria.

Criteria	Maximum Points
Innovative Economic Structures – approach to enabling the Commission’s long-term access to economic benefits expected to arise out of the project	20
Demonstrated Financial Capacity – company financial capacity, access to credit, strength of balance sheet	20
Quality Development Project Experience – demonstrated ability to produce high quality affordable housing units at low-income levels	20

Property Management Experience – proven ability to effectively manage permanent supportive low-income housing	20
Supportive services experience (service provider or in-house staff)	20
TOTAL	100

Schedule

Release of Request for Proposals (RFQ) – **July 22, 2022**

Informational Meeting - Conference – **August 4, 2022 3:00 p.m. to 4:00 p.m.**

Initial Deadline for Proposal Submittals – **August 22, 2022, 5:00 pm**

(NOTE – proposals will continue to be accepted until the final deadline of December 30, 2022)

The following attachments are available by contacting our office at (707) 565-7526 and will also be available during the pre-submission meeting on August 4, 2022.

1. Site plans, zoning information, CC&Rs
2. Standard Agreement, Use Covenants
3. NOFA
4. Relocation Plans
5. Preliminary Title Reports
6. Property Appraisals