



City of Emeryville

INCORPORATED 1896

1333 Park Avenue

Emeryville, California 94608-3517

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REQUEST FOR QUALIFICATIONS AND PROPOSALS (RFQ/P) FOR THE DESIGN AND DEVELOPMENT OF AN AFFORDABLE SENIOR RENTAL HOUSING DEVELOPMENT

4300 San Pablo Avenue, Emeryville, California

Submittal Deadline:	Friday, October 18, 2019 at 5:00 PM
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I. PURPOSE OF RFQ/P:

The City of Emeryville is seeking services for the design and development of an affordable senior or intergenerational rental housing development on a 0.47 acre site at 4300 San Pablo Avenue. This RFQ/P is intended to focus the attention of applicants on financial considerations by implementing a two-phase application process: Phase 1 will request applicants to submit developer qualifications and a feasibility analysis (including a cost analysis, site capacity and yield analysis, as well as a pro forma feasibility analysis) whereas Phase 2 will allow selected applicants to further develop their designs and financial proposals.

A. Objectives:

The overall objectives of the RFQ/P are:

- To select a developer (non-profit or for-profit) that is qualified, experienced, and has the capacity to undertake the design and development of an affordable rental housing project that maximizes the number of affordable units.
- To implement an affordable housing project that effectively serves extremely low-, very low-, and low-income senior households and/or youth in an intergenerational housing model, including youth transitioning from the foster care system.
- To implement a project that adheres to all appropriate Design Considerations including the City of Emeryville's Planning Regulations, Design Guidelines, Green Design requirements and the San Pablo Avenue Urban Design Plan.
- To meet the goals and objectives of the City of Emeryville's 2015–2023 Housing Element of the City's General Plan.
- To minimize to the greatest extent possible the City's financial assistance by using outside resources such as private, state, and federal programs.
- To ensure the financial sustainability of the project by selecting a developer able to demonstrate its capacity to sustain both its own financial health as well as that of the development project.

II. PROJECT DESCRIPTION:

A. Background:

The site is located at the corner of 43rd Street and San Pablo Avenue and is made up of two parcels totaling 20,600 square feet (0.47 acre). The surrounding area consists primarily of general retail and commercial development with some residential projects such as the Adeline Place, Key Route Lofts, Avalon and Andante complexes, and the Triangle residential neighborhood to the east. It is conveniently located near transit stops, services and amenities such as the Promenade shops (anchored by a CVS drug store), the City of Emeryville's Senior Center and the recently completed Emeryville Center of Community Life (ECCL), which houses the City's Recreation Center, a K-12 school, a library, a health and wellness center, and a garden. A map of Emeryville may be found in **Attachment 1**. See photographs of the property in **Attachment 2** and the ALTA Study in **Attachment 3**. (Note: All attachments are available for download from the City of Emeryville website at www.emeryville.org.)

B. General Plan and Zoning:

The project site is made up of two parcels totaling 20,600 square feet (0.47 acre). Below is a summary of the zoning analysis for the project site. Detailed allowable development calculations may be found in **Attachment 4**.

On November 13, 2018 the City Council amended the Planning Regulations to increase the maximum building intensity in the area where the site is located. The current maximum residential density is 50 units per acre, and up to 100 units per acre with a bonus; the maximum Floor Area Ratio (FAR) is 1.5, and up to 3.0 with a bonus; and the height limit is 40 feet, and up to 75 feet with a bonus.

Land Use Classification: The General Plan Land Use Diagram designates the project site for "Mixed Use with Residential," which is described as, "one or more of a variety of residential and non-residential uses including but not limited to offices, retail and hotel."

Zoning District: The project site falls within the Mixed Use with Residential (MUR) Zone where the proposed residential use is permitted by right. The site also falls within the Transit Hub (TH), Neighborhood Retail (NR) and the Pedestrian Priority Zone (PP) overlays. Surrounding properties are zoned Mixed Use with Residential (MUR) to the north and south, Medium Density Residential (RM) to the east and Planned Unit Development (PUD) to the west of the site. Table 9-3.202 of the Planning Regulations (**Attachment 5**) details the uses permitted, conditionally permitted, and prohibited in the MUR Zone as well as the TH, NR and PP overlays.

Building Intensity (FAR): Maximum base FAR for the site is 1.5 with a bonus of up to 3.0 FAR (see Attachment 4).

Building Height: The maximum allowable base height at this site is 40 feet with a bonus height of up to 75 feet (see Attachment 4).

Density: The permitted maximum base density is 50 units per acre with a density bonus of up to 100 units per acre (see Attachment 4).

Building Setbacks: Lots in non-residential zones do not have setback requirements, except where they abut a residential zone. This lot abuts a residential zone to the east. Thus, the setback requirements are as follows:

- Front (San Pablo Avenue): None
- Interior side (north): None
- Street side (43rd Street): 10 feet (same as front setback in adjacent residential zone)
- Rear: 10 feet, plus an additional 2 feet for each 1 foot by which building height exceeds 30 feet (see Attachment 4).

Parking: See Table 9-4.404 of the Planning Regulations (**Attachment 6**) for estimated parking demands based on use type. Note that pursuant to Section 9-3.406(a)(1) of the Planning Regulations, minimum and maximum parking requirements in the Transit Hub Overlay Zone shall be reduced to 50% of the requirements (see Attachment 4). All uses are also required to provide short-term and long-term bicycle parking. See Sections 9-4.408(e)(3) and 9-4.408(f)(2) of the Planning Regulations for more information.

Bonus Procedure: Bonus residential densities, floor area ratios, and/or heights may be permitted upon the granting of a conditional use permit pursuant to Article 5 of Chapter 7 in the Planning Regulations. To be eligible for bonuses, a project must provide significant community benefits as outlined in Section 9-4.204 of the Planning Regulations. Benefits may be in the following areas: public open space, zero net energy, public improvements, utility undergrounding, additional family friendly units, small businesses and flexible community benefit. Note that, for the maximum bonus development of 47 units, the project will require 50 bonus points for community benefits. Generally, such benefits are based on 10 points per 1% of project construction valuation. Thus, to earn 50 bonus points, the project will need to provide community benefits equivalent to 5% of project construction valuation.

III. DESIGN AND DEVELOPMENT CONSIDERATIONS:

The developer should make the following assumptions about the site:

- Note: the property will be conveyed on an “as-is” basis.

A. Design Considerations:

Design Guidelines: The Emeryville Design Guidelines (**Attachment 7**) provide guidance for achieving high quality design. Applicants should note the specific recommendations and requirements for the Transit Hub, Neighborhood Retail and Pedestrian Priority Zone Overlays, as well as the residential design guidelines.

Family-Friendly Housing: Pursuant to Article 20 of Chapter 5 of the City of Emeryville Planning Regulations, proposed multi-unit residential developments must meet the family-friendly unit mix and design guidelines. However, as outlined in Section 9-5.2005,

senior housing and special needs housing may be exempt from the unit mix and design requirements upon the granting of a conditional use permit by the City of Emeryville City Council with a recommendation from the Planning Commission. The selected developer will be required to apply for the conditional use permit along with any other planning approvals required for the project.

Green Design: The project must achieve a minimum of 100 “GreenPoint Rated” points plus meet all minimum requirements of LEED Silver certification, include solar panels and building materials that minimize Volatile Organic Compounds (VOCs) and off-gassing. For more information on the GreenPoint Rated New Home Multifamily certification system, visit Built It Green’s website at: <https://www.builditgreen.org/greenpoint-rated>.

San Pablo Avenue Urban Design Plan: This Plan aims to support and guide the transformation of the San Pablo Avenue Corridor into a dynamic mixed-use community. Applicants should note the Plan’s general intent and vision to revitalize the corridor and thus enhance the quality of life for residents and workers.

B. Environmental Considerations:

Remediation: The City has studied the environmental conditions of the site on multiple occasions due to prior uses. In 2016, Ninyo & Moore conducted a Phase 1 Environmental Site Assessment, which fully characterized the site for contaminated groundwater and soil, and subsequent vapor encroachment (**Attachment 8**). The study concluded that there is no evidence of Recognized Environmental Conditions in connection with the site, with the exception of a Historical Recognized Environmental Condition (HREC) caused by the removed Underground Storage Tanks and associated residual petroleum hydrocarbon concentrations in soil. An HREC is defined as a past release of any hazardous substances or petroleum products that has occurred in connection with the site and has been addressed to the satisfaction of the applicable regulatory authority, without subjecting the property to any required controls.

Environmental Review: The entitlement for the development proposal will require compliance with the California Environmental Quality Act (CEQA) as required by State law. If the project uses federal funding, compliance with the National Environmental Policy Act (NEPA) will also be required.

C. Development Considerations:

Target Population: Developers are invited to submit proposals that respond to the target tenant population of extremely low-, very low-, and low-income seniors and/or youth, including youth transitioning from the foster care system. Proposals that include intergenerational housing are preferred, however developers should submit proposals for the product (either senior or intergenerational) that best matches the developer’s experience and capabilities. Developers are expected to provide detailed proposals on any specific services or programs that will be offered to the target population and how these services or programs will be funded over the span of 30 years. Example services may include social and recreational activities, health education programs, health screenings, job training and an on-site service coordinator.

City Subsidy: The City anticipates supporting the project in the form of a “construction loan.” Due to limited funding relative to affordable housing needs, the City aims to minimize the subsidy it provides to the project. The City intends to lease the land to the developer for a term to be negotiated.

City assistance shall not be directed to operating costs. Developers should identify if assistance is needed, in what form it is needed, and how much is needed, then verify this need.

Leveraging: The City wishes to ensure that its assistance is leveraged to the greatest extent possible. The selected developer will be required to seek and obtain additional funding from other funding programs (private, state, and/or federal) to leverage any City assistance and improve the financial feasibility of the project.

IV. PROPOSAL:

Mandatory Pre-Submittal Meeting and Site Visit: Applicants are required to attend a pre-submittal meeting and site visit on **October 1, 2019**. Applicants should meet at the Emeryville Civic Center at 1333 Park Avenue at 10 a.m. The site visit at 4300 San Pablo Avenue will immediately follow.

Process/procedure for 2-Phased RFQ/P: All applicants are required to submit Phase 1 of their proposals by **5:00 PM on October 18, 2019**. After review of the Phase 1 proposals staff will request Phase 2 proposals from the highest ranked applicants.

The contents of both phases of the proposal are described below.

Submittal requirements for Phase 1 of Proposal:

Please submit two (2) original collated binders and one (1) PDF of the Developer Qualifications and Development Proposal, with the following materials included, in this order:

Introductory Letter

The introductory letter should be addressed to:

Valerie Bernardo, Housing Coordinator
Economic Development and Housing Division
City of Emeryville Community Development Department
1333 Park Avenue
Emeryville, CA 94608
vbernardo@emeryville.org

The letter should state the name of the primary service provider, their mailing address, telephone number, and contact name. The letter should also include the name, title, address and telephone number of individual(s) with the authority to bind the proposing firm(s) and also who may be contacted during the period of proposal evaluation. The letter shall address the proposer's

understanding of the project based on this RFQ/P and any other information the proposer has gathered. Include a statement discussing the proposer's interest and qualifications for this type of work. A principal of the firm authorized to legally bind the firm(s) shall sign the letter.

Table of Contents	The proposer shall insert a comprehensive table of contents denoting Tabs 1 through 11 of the proposal as indicated below.
Tab 1: Title Sheet	Please use Attachment 9
Tab 2: Project Information Sheet	Please Use Attachment 10
Tab 3: Development Proposal	Submit a one (1) page description of the proposed affordable rental development project, including the intended tenant population and income level to be served. Proposals must also include the management program for the development and explain the development approach including any supportive services to be offered in connection with a special needs population.
Tab 4: Layout and Massing Proposal	<p>Submit building layout and massing proposals based on a site capacity and yield analysis that will help determine the appropriate size and layout of the building. This analysis will address issues such as auto and pedestrian access, parking layouts, and commercial loading. It will estimate building square footage, unit sizes, and unit counts that are supported by the City's existing development regulations.</p> <p>Include a site plan and basic line diagrams depicting the building footprint on the site, designating the non-residential spaces in the building, and illustrating building massing.</p>
Tab 5: Feasibility Analysis	<p>Submit a completed Sources and Uses Budget (Attachment 11) with potential sources of debt and equity along with a detailed breakdown of hard costs and soft costs including direct construction costs, indirect development costs, financing costs, and pre-development costs. Information showing the financial ability to fund pre-development cost and equity should be provided. The development budget must include a 15% construction contingency line item.</p> <p>Submit a thirty-year cash flow projection (Attachment 12), with estimated stabilized annual operating revenue, and estimated operating expenses. Please state your assumptions on operating expenses. Cash flow must include operating and replacement reserves, a 5% annual vacancy rate, and utility allowances based on those most recently published by the Housing Authority of the</p>

County of Alameda (HACA). The complete development pro forma should model the full development costs and financing for the project under building layout described in tab 4. Include a sensitivity analysis that tests the pro forma with variations in housing affordability.

**Tab 6:
Development
Team**

Submit a list of development team members including their role on the team, their company affiliation and their contact information. Teams should consist of the developer, legal representation, ownership entity, proposed architect, engineer, and property manager and service provider(s), if applicable. Explain the relationship between the property ownership entity and the developer submitting this proposal. Also include names of any proposed, general, limited or joint venture partners as well as a list of the board members. Clearly detail any board involvement in the decision-making process. Describe the team's process for a "go/no go" decision on whether to start construction of the project and when that decision will be made.

Submit a one (1) page statement for each individual member of the project team. Include the team member's title, their qualifications and past experience. The proposal should indicate each team member's responsibility for project tasks. Identify the lead person who will be the primary liaison with the City and each individual who will work with the City. Include resumes and any professional designations and affiliations, certifications, licenses, etc. for each individual.

**Tab 7: Past
Experience**

The proposal shall include a summary of similar development experience by the proposer in the last five years. Provide information on at least five recently completed affordable housing projects (renovation and/or new construction) as well as visuals of those projects. Include project and client names, locations, sizes and the development costs for projects developed on time and within budget. If possible, describe any major challenges faced and the solutions developed to address them.

**Tab 8:
Management
Experience**

Include a statement of prior management experience of key individuals with projects that are similar in size and nature.

Tab 9: References

Provide at least three references for similar projects, including project and contact information (name, title, phone, email address). References may be contacted as a part of the selection process, and will be asked to comment on work quality and performance. References from public lenders from the firm's three most recent similar projects are desirable.

Tab 10: Financial Information/Stability	Provide evidence that the lead development firm has the financial capability to complete the proposed project within the proposed timeline. Provide the two most recent audited financial statements. In addition, provide three financial references with whom the lead development firm has recently obtained acquisition and/or construction financing. Provide the following information for each reference: institution, contact name and title, phone number and address.
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Tab 11: Supportive Information	This section may include graphs, charts, photos, resumes, references, etc. in support of the proposer's qualifications and/or work plan.
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Submittal requirements for Phase 2 of Proposal:

Please submit two (2) original collated binders and one (1) PDF copy of the developer qualifications and development proposal, with the following materials included in this order:

Introductory Letter	<p>The introductory letter should be addressed to:</p> <p>Valerie Bernardo, Housing Coordinator Economic Development and Housing Division City of Emeryville Community Development Department 1333 Park Avenue Emeryville, CA 94608 vbernardo@emeryville.org</p> <p><i>The letter should describe any changes to the proposal since the Phase I submittal.</i></p>
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Table of Contents	The proposer shall insert a comprehensive table of contents denoting Tabs 1 through 8 of the proposal as indicated below.
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Tab 1: Title Sheet	<p><i>Same as phase 1</i> Please use Attachment 9</p>
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Tab 2: Project Information Sheet	<p><i>Same as phase 1</i> Please Use Attachment 10</p>
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Tab 4: Renderings and Design	Submit color renderings of design proposals that reflect the building layout and massing proposals included in Tab 3. Design proposals must include site plans and elevations, as well as color renderings. Plans should be clearly labeled and show all existing and proposed buildings and structures, proposed landscaping, streets, driveways and parking, trash enclosures, signs, accessory buildings, fences, utility meters, transformers, and utility boxes.
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Tab 5: Community Benefits	Submit a summary of Community Benefits the project will provide, including what is needed for any density bonus with their monetary value.
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Tab 6: Community Outreach	Submit a one (1) page narrative statement of how local resident input will be solicited for the proposed project and how such outreach has been conducted in the past.
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Tab 7: Environmental Performance	Submit a narrative summary of Green Development Elements and a strategy for meeting the Green Design Requirements outlined by Build It Green's New Home Multifamily (NHMF) certification systems.
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Tab 8: Supportive Information	This section may include graphs, charts, photos, resumes, references, etc. in support of the proposer's qualifications and/or work plan.
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V. PROPOSAL EVALUATION:

Phase 1 Proposals will be ranked under the following criteria:

Criteria:	Score:
Complete and responsive proposal	25
Firm's experience with similar work	20
Qualifications of individual staff assigned to project	15
Financial feasibility/stability	30
History of collaboration with partners	10
Total	100

Phase 2 Proposals will be ranked under the following criteria:

Criteria:	Score:
Firm's experience with similar work	20
Qualifications of individual staff assigned to project	15
Financial feasibility/stability	30
Quality of design	25
History of collaboration with partners	10
Total	100

VI. APPLICATION DEADLINE & INSTRUCTIONS:

The deadline for Phase 1 application submittal is **5:00 p.m., Friday, October 18, 2019.**

The estimated deadline for Phase 2 application submittal will be in late-March 2019.

Two (2) original collated binders of the materials discussed in Section IV of this RFQ/P shall be mailed or hand delivered to the City of Emeryville, 1333 Park Avenue, Emeryville, CA 94608, Attn: Valerie Bernardo for delivery by the submission deadline. Please ask the receptionist to time stamp your proposal.

Applicants must also email a scanned and searchable PDF of their application packet to vbernardo@emeryville.org. Please save each subsection of Section IV as a separate PDF document and title each document in the following manner: Firm Name_Document Name. The entire application packet should be sent as one complete email.

Late and/or Faxed Proposals will not be accepted.

VII. GENERAL TERMS & CONDITIONS:

All materials submitted become the property of the City of Emeryville, and will not be returned. Any information submitted or generated is subject to public disclosure requirements.

The City reserves the right, at its sole discretion, to

- Waive minor irregularities in submittal requirements,
- Request additional information,
- Request modifications of the proposal,
- Accept or reject any or all proposals received,
- Extend the due date of the RFQ/P,
- Interview any or all developers,
- Reject, in whole or in part, any or all proposals,
- Obtain additional proposals beyond the due date if the proposals received are unsatisfactory,
- Negotiate with any qualified source,
- Cancel all or part of this RFQ/P at any time prior to awards.
- To require the developer to name the project based on City Council direction.

The RFQ/P is not a contract or a commitment of any kind by the City and does not commit the City to award an exclusive development option. No reimbursement will be made by the City for any cost incurred by developers in preparation of the response to this RFQ/P.

DEVELOPER SELECTION PROCESS AND PROJECT SCHEDULE

Item	Timing/Deadline*
Request for Proposals (RFQ/P) Distributed	Tuesday, September 24, 2019
Pre-Submittal Meeting & Site Walk Note: Developers are REQUIRED to attend	Tuesday, October 1, 2019 Meet at Emeryville City Hall at 10:00am
Phase 1 Submittal Due	Friday, October 18, 2019 at 5:00 PM
Applicant Short List Selected	Estimated late December 2019
Phase 2 Submittal Due	Estimated late March 2020

Interviews of Short List by Housing Sub-Committee	Estimated April 2020
Housing Committee Considers Recommendations of Sub-Committee and forwards Recommendation to the City Council	Estimated May 2020
Contract Awarded by City Council	Estimated June 2020

*The above time frames after Phase 1 submittal are estimates only and subject to change.

Future Steps after Developer Selection:

1. Developer and the City will negotiate an Exclusive Negotiation Rights Agreement (ENR).
2. After entering into the ENR, developer and the City will negotiate a Lease Disposition and Development Agreement (LDDA).

Submission of Proposal and questions about the RFQ/P shall be directed to:

Valerie Bernardo, Housing Coordinator
Economic Development and Housing Division
City of Emeryville Community Development Department
1333 Park Avenue
Emeryville, CA 94608
(510) 596-4354
vbernardo@emeryville.org

**ATTACHMENTS: Available on the City of Emeryville website:
(www.emeryville.org):**

- 1) Map of Emeryville
- 2) Photographs of Property and Aerial Site Photo
- 3) ALTA Study
- 4) Allowable Development Calculations
- 5) Zoning and Use Classification Table
- 6) Estimated Parking Demands (Planning Regulations, Article 4, Section 9-4.404)
- 7) City of Emeryville Design Guidelines
- 8) Environmental Remediation Documents - Phase 1
- 9) Title Sheet
- 10) Project Information Sheet
 - 10a) Housing Affordability Table
- 11) Sources and Uses Budget Template
- 12) 30 Year Cash Flow Pro Forma Template
- 13) Emeryville Housing Element Goals, Objectives, Policies and Programs
- 14) Pre-Submittal Meeting PowerPoint Presentation