Breaking Ground: Strategies for Developing Affordable Housing on Public Land

A Guide for
San Gabriel Valley
Regional Housing Trust
Member Cities

Final Technical Draft
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May 31, 2024

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I. INTRODUCTION

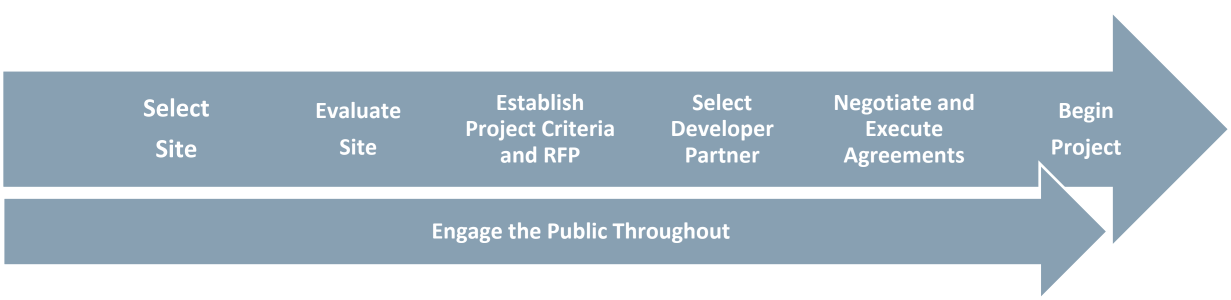
The San Gabriel Valley, like many other regions in California, is experiencing significant housing affordability challenges. Between 2019 and 2023, median home prices in the Los Angeles metropolitan area rose by nearly 30 percent, and the region's ratio of median home prices to median incomes reached 10.9:1.[1] As a result, the area's housing market has become one of the most expensive in the nation relative to local incomes. As the cost of homeownership becomes increasingly out of reach for many households, renting has become the primary or only housing option. In Los Angeles County, 52 percent of renter households are housing cost-burdened, allocating 30 percent or more of their income to housing expenses.[2] In the face of these challenges, public agencies can leverage public land as an effective tool to increase the supply of affordable housing within their jurisdictions. The use of public land to develop affordable housing reduces the need for supplemental public funding that is limited and in high demand.

This guide provides the San Gabriel Valley Council of Governments (SGVCOG) and San Gabriel Valley Regional Housing Trust (SGVRHT) member cities with the strategies to develop affordable housing on public land. The SGVRHT is a joint powers authority formed in February 2020 with the goal of funding and financing the planning and construction of affordable housing serving extremely low-, very low-, and low-income households and housing for people experiencing homelessness (e.g., emergency shelters, permanent supportive housing, and transitional housing) in the San Gabriel Valley. The SGVRHT seeks to empower its members to utilize public land to develop vibrant, inclusive communities where residents have access to safe, stable, and affordable housing options.

This guide is intended to provide a high-level roadmap for San Gabriel Valley cities, helping to illuminate the process that can be used to develop affordable housing on publicly owned land. Cities are strongly encouraged to use this guide as a resource but also seek support from the SGVRHT, SGVCOG, and other technical expert partners. Public agencies in the context of this guide refer to cities and their technical assistance partners, which may include the SGVRHT, SGVCOG, and consultants. While this guide focuses on the San Gabriel Valley, it can apply to other jurisdictions.

II. DEVELOPING PUBLIC LAND

Broadly, the development of affordable housing on public land can be achieved through the following steps detailed in this section.



[1] Joint Center for Housing Studies of Harvard University. 2023. State of the Nation's Housing 2023. Metro Area–Change in Home Prices: March 2019–2023 and Metro Area–Median Home Price-to-Median Income Ratios: 1990–2022.
[2] U.S. Department of Housing and Urban Development. 2023. Comprehensive Housing Affordability Strategy Data. (Per 2016-2020 ACS data, 942,680 renter households are cost burdened, out of 1,798,030 total renter households.)

A. SITE SELECTION

Once a public agency has identified its priorities and established its interest in developing affordable housing on publicly owned land, it should determine what land assets are available for affordable housing development. Public agencies can access land they own, or land owned by an affiliated entity, such as a housing authority or housing successor agency. They may also partner with local school districts, utility agencies, and transit agencies to develop land owned by the partner agency, which will benefit from residential development through the attraction of more students, utility users, or transit riders. Once a land asset inventory is identified, a public agency can create a shortlist of sites to evaluate. Public agencies can work with the SGVCOG, SGVRHT, and technical consultants to facilitate and inform the site selection process. Factors to consider include the following:

- **Location**: Is the site identified in the jurisdiction's Housing Element? Is the site in a high-need area? How readily accessible are public transit points and neighborhood amenities (e.g., schools, grocery stores, and hospitals) from the site?
- **Target Population**: What populations (e.g., families, seniors, special needs, persons experiencing homelessness) and household income levels is the City interested in serving at the site?
- **Development Factors**: What is the site's zoning? What are the parking requirements? How many units and floors can be developed on the site, and at what density under the current zoning? How will the development of the site align with the jurisdiction's Housing Element and housing goals/objectives?
- **Site Condition**: How big is the site? Does the site currently contain commercial or residential occupants? If occupied, would existing buildings need to be demolished? Does the site require environmental remediation? What is the site's shape and topography? Will the site's zoning need to be changed?
- **Surplus Land**: Is the land classified as "surplus" under the Surplus Land Act (SLA)?[3] If so, public agencies are required to offer land for sale or lease to affordable housing developers before selling or leasing the land to other individuals/entities. Additionally, public agencies are subject to rules related to land disposition and affordability restrictions but can obtain SLA exemptions that favor affordable housing development. Public agencies should refer to applicable guidelines to ensure proper adherence and compliance with the SLA.

As part of the site selection process, the public agency should start to identify its vision, goals, and constraints for development, as these will have a considerable impact on the viability of development on a site. This includes elements such as housing type (e.g., permanent supportive housing, affordable housing), target population (e.g., persons experiencing homelessness, seniors, families), unit mix, number of building stories, and amenities to be provided on-site.

Property Disposition Options

Public agencies should weigh different property disposition options available to them for the development of affordable housing on public land. The land disposition option chosen by a public agency will shape how land is marketed to potential developer partners, the financial feasibility of proposed projects, and public sentiment surrounding the project. Thus, this decision should be considered during initial stages.

[3] California Government Code, Sections 54220–54234. Surplus Land Act.

Common property disposition options include the following:

- **Ground Lease**: Under a ground lease, a public agency retains ownership of the land underlying an affordable housing project. This option can be mutually beneficial to the public agency and the developer: Public agencies retain ownership of the land and can ensure long-term affordability restrictions, and developers benefit from not having to acquire the land or add debt to the project for the site's acquisition. Depending on the structure of the ground lease, public agencies may also be able to receive revenues from the project. Ground lease structures can take various shapes. The following are a few of the most common conditions seen in affordable housing deals:
    - A below-market, 50- to 99-year ground lease agreement with an annual payment to the public agency of $1.
    - A 99-year ground lease agreement with an annual residual receipts payment to the public agency. Residual receipts could be the lesser of 50 percent of surplus cash flow (defined as project revenues, less operational costs, and priority distributions) and a base rent amount. The base rent could equal the appraised value of the land divided by the total term of the lease and, optionally, an amount added for interest. Ground lease residual receipt payments have the potential to generate significant revenues for public agencies, but payment amounts can vary based on available annual surplus cash flow and the payout structure of deferred loan obligations and fees to sponsors and investors via asset management fees, partnership management fees, incentive management fees, and capital distributions.[4]
    - A capitalized ground lease payment funded by a public agency seller carryback loan, structured as a 55-year residual receipts note with a simple, below-market interest rate of 3 percent. Seller carryback is a form of seller-provided financing in which a seller extends credit to facilitate a transaction. The payment's value is based on the underlying land's value.

  The exact ground lease structure used will depend on the City's balance of priorities (e.g., providing greater assistance to the development or generating future income that can be used to support other affordable housing developments) and what the development can support financially, and it is potentially subject to negotiation, although that is rare.

- **Sale**: A public agency can relinquish ownership of a project site through sale. State law requires public agencies disposing of surplus public land to prioritize affordable housing and allows public agencies to write down the cost of the land to provide additional subsidies for affordable housing purposes.[5] A primary drawback to land sales for affordable housing development is that, without an ownership stake, a public agency cannot guarantee that affordability restrictions will be maintained on a property after initial affordability restrictions expire.

If a city is unsure of the best approach for property disposition, staff should coordinate with technical experts (such as the SGVRHT or an experienced consultant) to determine the most appropriate approach based on the city's goals.

[4] Multi-Housing News. 2022. What Affordable Housing Sponsors Need to Know About Surplus Cash. May 11.

[5] Assembly Bill 2135. Surplus Land: Affordable Housing.

B. SITE EVALUATION

Once the public agency has selected a site(s) for further consideration, it can begin an evaluation to determine the financial feasibility of developing affordable housing. It is best to do this early to mitigate surprises, establish a clear understanding of the site's development potential, and avoid spending valuable resources on sites that are infeasible or inconsistent with local housing goals established in an agency's Housing Element. Many cities will turn to a technical consultant with expertise in affordable housing development to evaluate a site(s) to ensure they have a strong understanding of the viability of a site. To facilitate this understanding, it is helpful to model an example project that could be developed on the site and that reflects the agency's desired characteristics, including unit mix, building stories, and amenities to be provided on-site. A complete proforma does not have to be developed for the evaluated site(s). The purpose of this task is to mirror the process that a developer would use to determine financial viability and help ensure that agencies can find a developer that can develop the site. The following information is useful to understand the key components that will impact the viability of a project.

Elements of Financial Feasibility

The financial feasibility of a project is determined by the following elements:

- Development costs
- Revenue capacity
- Operating expenses
- Financing capacity

Public agencies can have significant influence over cost factors that determine the financial feasibility of affordable housing developed on public land, specifically as it relates to a project's development expenses and the entitlement and approvals process.

Development Costs

Development costs can be broken down into the following categories:

- **Land Acquisition Costs**: Cost of acquiring land. An appraisal should be obtained to determine the land's value. This is a best practice. Even if the City is donating the land to the developer, an appraisal will enable the City to know and to advertise how much it is contributing to the affordable housing development.
- **Hard Costs**: Costs relating to construction, such as materials and labor costs, demolition, environmental remediation, and parking.
- **Soft Costs**: Indirect construction costs related to architects, engineers, construction loan interest, legal services, insurance, and consultants.

Revenue Capacity

A project's revenue capacity is primarily determined by the total number of and affordability restrictions on units. Existing or proposed zoning dictates the number and size of units that can be developed. Projects with deeper affordability restrictions (i.e., restrictions for lower income levels) or a greater percentage of rent-restricted units will naturally have a lower revenue capacity. To supplement revenue, projects can use Housing Choice Vouchers (also called Section 8 vouchers), which can be project-based vouchers (PBVs) or tenant-based vouchers. The PBV program allows tenants to pay a predetermined portion of rent corresponding to 30 percent of their income, and the PBV program pays the remainder of the rent up to a fixed total (usually based on fair market rent) directly to the housing provider. PBVs are attached to specific units in a project, whereas tenant-based vouchers are attached to and move with the tenant.[6] Projects with permanent supportive housing (PSH) or other units restricted at or below the 30 percent area median income (AMI) level often seek PBVs. Other forms of Housing Choice Vouchers include Emergency Housing vouchers and Veterans Affairs Supportive Housing (VASH) vouchers, which are restricted for vulnerable populations (e.g., people experiencing homelessness or fleeing domestic violence) and for veterans, respectively. Projects can increase their revenue capacity by increasing the number of units on the site. Certain project funding sources may also require set-aside (i.e., reserve funding) minimums for units at or below specific AMI levels, directly impacting a project's revenue capacity. Reserves may be required for property maintenance and improvements or operating shortfalls.

Operating Expenses

Operating expenses will vary based on a project's design, the amenities provided, and the populations served. The size of a project will dictate staffing expenses via the number of staff members needed to operate the site effectively. Projects featuring a high percentage of studio and one-bedroom units may face higher turnover rates because tenants of these units are more likely to move if lifestyle changes require more at-home space, adding to a project's turnover expenses. On-site services for youths, families, seniors, and special needs groups (such as people who previously experienced homelessness) will add to service-based operating expenses and may necessitate partnerships with and funding from local agencies (e.g., Los Angeles County Development Authority). At the same time, including services on site increases the potential for positive outcomes for residents, including housing stability, income, employment, education, and health. [7] Property insurance expenses should also be considered because California has seen percentage increases up to or exceeding double digits in recent years.[8] Factors that will influence repair and maintenance operating expenses include the type of amenities offered (e.g., courtyards, pools, and children's play areas), building materials used, and landscaping. Once a developer is selected for the project, it will compile operating expense projections for their proposed project.

Financing Sources

Affordable housing developers often utilize a combination of local, state, and/or federal funding sources to support the development of affordable housing projects. Public agencies can refer to Appendix B for an overview of funding sources commonly leveraged to support affordable housing development on public land.

Impacting Financial Feasibility

Balancing the goal of ensuring a project meets a public agency's desired project characteristics with promoting those same developments' financial feasibility is key. Notable factors that influence financial feasibility include the following:

- **Density**: Building at a higher unit density can reduce per-unit development costs and improve financial feasibility, to a point. Generally, up to six stories can be built using Type III (wood-frame) construction. Taller buildings will typically require Type I (steel-frame)

[6] Center on Budget and Policy Priorities. 2023. Policy Basics: Project-Based Vouchers. July 11.
[7] Stewards of Affordable Housing for the Future. 2023. New Toolkit for Measuring Outcomes in Affordable Housing. January 24.
[8] Bloomberg. 2023. Rising Insurance Rates are Crushing Affordable Housing Developers. September 12.

construction, which is more expensive than Type III construction. The City can and should consider other factors related to density, such as compatibility with the community, infrastructure capacity, and the character of the proposed design.

- **Prevailing Wages**: Cities should understand what factors trigger federal (i.e., per the Davis-Bacon Act of 1931) or state prevailing wage requirements. These requirements can significantly increase development labor costs.[9] Various public funding sources used to finance affordable housing can require prevailing wages, although notably, Low-Income Housing Tax Credit (LIHTC) financing alone does not. Federal prevailing wage requirements are triggered if a project contains nine or more Housing Choice Voucher-assisted units.[10] Ultimately, however, cities are allowed and encouraged to leave the prevailing wage applicability determination to developers.
- **Parking**: Parking requirements can negatively impact the feasibility of affordable housing development. Land that must be allocated for parking reduces a project's total unit development capacity. Structured parking increases per-unit development costs by $38,000 or more,[11] and underground parking increases per-unit development costs by approximately $50,000 or more.[12] Public agencies can mitigate these costs by reducing parking requirements. In addition, recent changes to state law restrict a project's parking requirements. For example, Assembly Bill 2097 prohibits public agencies from imposing a minimum parking requirement on most types of development projects within 0.5 miles of a major transit stop.[13] Cities placing a particularly high emphasis on developing affordable housing may want to consider reducing or waiving parking requirements even when not required to do so. Having accessible, high-quality transit service helps but is not necessary. One approach is to require a car-sharing service on-site in exchange for a reduction in parking requirements. Another approach is to facilitate parking sharing, e.g., with a nearby office or retail center or at a public facility.
- **Environmental Review**: A project's environmental review under the California Environmental Quality Act (CEQA) can cost hundreds of thousands of dollars and expose projects to litigation risk, further increasing development costs and delaying timelines.[14] However, through Assembly Bill 1449, affordable housing projects can obtain CEQA exemptions by meeting certain income level requirements (i.e., 100 percent of units at 80 percent AMI or below), location, and compliance with prevailing wage requirements. As of the date of this guide, public agencies can obtain exemptions through Assembly Bill 1449 until January 1, 2033.[15]
- **Off-Site Improvements**: Off-site improvements are improvements made to roads, public rights-of-way, and utilities as part of infrastructure development. Many development projects present conditions that require that these improvements be made outside the property boundary. Off-site improvements must be managed early in the design review process to avoid significant increases in development costs and project delays. Public agencies can mitigate these costs by identifying site-specific off-site improvements before design review.
- **On-site Amenities**: Features such as elevators, pools, balconies, and child play areas contribute to residents' quality of life but can also be significant sources of repair and

[9] ILR Review. 2005. The Effects of Prevailing Wage Requirements on the Cost of Low-Income Housing. October.
[10] U.S. Department of Housing and Urban Development. n.d. Factors of Labor Standards Applicability.
[11] UC Berkeley Terner Center for Housing Innovation. 2020. The Costs of Affordable Housing Production: Insights from California's 9% Low-Income Housing Tax Credit Program. March.
[12] Southern California Association of Nonprofit Housing. 2023. Core Elements of Affordable Housing Development Finance. April 11.
[13] Los Angeles City Planning. 2024. Key Provisions of Assembly Bill 2097.
[14] Senate Committee on Housing. 2023. Affordable Housing: California Environmental Quality Act: Exemption. July 10.
[15] Holland and Knight. 2023. California's 2024 Housing Laws: What You Need to Know. October 31.

maintenance expenses, On-site case management services are also extremely valuable for residents; however, they also add additional operational costs.

- **Entitlement and Approvals Process**: The entitlements and approvals process can add considerable time, uncertainty, and costs to affordable housing developments.[16] Public agencies can reduce development costs and facilitate the production of financially feasible affordable housing by instituting policies that expedite this process. Public agencies can facilitate development by allowing by-right development that can be approved based on objective, transparent requirements. To accelerate the approval of development projects, especially those related to affordable housing, many local jurisdictions have implemented measures to streamline the discretionary review process, which reduces the number of review rounds and allows for quicker approvals by minimizing the need for multiple adjustments to the project before it is approved. By-right projects can be approved up to 28 percent faster than discretionary projects,[17] which can translate to lower overall development costs and expand the availability of affordable housing.

By completing this financial feasibility exercise, a public agency can better understand the viability of a site. A development's specific revenue capacity, operating expenses, and financing sources will be projected by and determined by the developer partner(s) as a part of the developer selection process. By doing an initial evaluation and being aware of what variables influence these factors, a public agency (in partnership with the SGVRHT, SGVCOG, and technical consultants) can better evaluate the reasonableness of assumptions utilized by developer partners in proposing a project.

C. PUBLIC ENGAGEMENT

Public agencies should consider how and when to engage public stakeholders to ensure the success of a proposed affordable housing development. Relevant stakeholders include community members, advocacy groups, and local government officials. Public engagement should be leveraged to enhance a project's design, community offerings, and probability of success.

Obtaining feedback from members of the public at pilot stages will help an agency ensure that development aligns with the needs and desires of the community it serves. Early and consistent engagement can help public agencies and their affordable housing developer partners address concerns, incorporate local insights, and foster trust in the public agency and support for the project. Some agencies get initial feedback from the community and elected and appointed officials to determine project priorities – and to identify key project concerns. Many agencies will use public engagement throughout the process – from site selection, project priority identification, through developer selection, project construction, and project completion.

Communities can be engaged through platforms other than conventional avenues like town halls and city council meetings, including social media, emails, news and print press releases, and city websites. An important aspect to consider when engaging members of the public is the strategic use of project materials and information to guide conversations. If a project is anticipated to receive an elevated level of public scrutiny, agencies should obtain public feedback before considerable progress is made. This will give the public agency and its developer partner time to

[16] Los Angeles Business Council Institute; University of California, Los Angeles; and California State University, Northridge. 2023. Tackling the Housing Crisis: Streamlining to Increase Housing Production in Los Angeles. May 11.

[17] Journal of the American Planning Association. 2022. Does Discretion Delay Development? The Impact of Approval Pathways on Multi-Family Housing's Time to Permit. November 15.

resolve issues and to incorporate the consideration of community concerns or opposition into project materials made publicly available.

Language offerings are another vital aspect of making outreach efforts accessible and inclusive. Public agencies should identify how translation services can be used to maximize their reach to non-English speaking/dominant community members. Here, cities can partner with the SGVCOG, which has worked with its member cities on multiple projects to provide and facilitate language access and translation services.

Local government officials (e.g., city council members) will have a high level of visibility over a project throughout its life and influence over its ability to progress to completion. Affordable housing projects will be brought to the city council at various stages by city staff or the chosen developer partner. Funding sources used to support development may also require agencies to hold a public hearing - the LHTF program, for example, requires grantees to hold a public hearing to discuss and describe the project(s) that will be funded. Public agencies should be aware of the various touch points with local government officials needed to complete an affordable housing project. Conversations with city council members can be guided by an agency's Housing Element, which details a city's zoning, development planning, and housing goals. City council priorities and preferences surrounding parking and ensuring new development is aesthetically compatible with existing development should also be anticipated.

D. ESTABLISH PROJECT CRITERIA AND REQUEST FOR PROPOSALS

Project Criteria

If a site is financially viable for the development of affordable housing, a public agency can proceed with formally establishing the project criteria that will shape the Request for Proposals (RFP) issued for the site to select a project developer partner.

A public agency may choose to engage an architect to develop high-level design concepts to visually show the potential development opportunity of the site. The concepts should demonstrate the site's general layout, unit yield, design quality, and style desired for future developers that can be used by public agency staff to discuss the project with decision-makers and stakeholders. Alternatively, a public agency can commission a Density Study Plan based on a proposed project unit bedroom mix, unit sizes, and desired building type determined through the site evaluation process. Design concepts and the Density Study Plan can be used to prepare a preliminary development conceptual package that includes an Illustrative Site Plan and an exterior perspective rendering of the site that shows the potential style, scale, and massing of the proposed development. The Illustrative Site Plan can be included as a component of the RFP. Once the public agency completes this process, it can begin the development of an RFP to select a developer partner.

Request for Proposals

Public agencies should detail the following items in an RFP:

- The project site, including Assessor Parcel Numbers (APNs), lot size, current zoning, maximum development heights, and minimum unit densities/sizes.
- The project location and proximity to nearby amenities considered in evaluating the LIHTC competitiveness of a project, including schools, grocery stores, parks, hospitals/medical centers, and public transit access points.

- Any tenants/occupants on the site and agency requirements for honoring existing leases or tenant relocations.
- Desired outcomes of the development, including the number of units, target populations to be served (e.g., seniors, families, special needs groups), competitiveness for financing sources, and alignment with community design character and zoning.
- The public agency's housing objectives as they relate to the site and proposed development.
- If applicable, the city's preferences for a ground lease or a sale, as well as how much funding and from what sources the city can provide to support the development. The funding sources are important to indicate because different sources have different requirements. Any funding requirements that are not public knowledge or easily obtainable, such as expenditure deadlines or unique requirements for income levels served, should be stated in the RFP.

The RFP should detail the proposal submittal requirements that public agencies will use to evaluate proposals and the qualifications of proposal applicants. These items can include the following and be modified to address the public agency's priorities and preferences:

- **Cover Letter**: A summary of the major points in the proposal and a statement from the developer team about what factors set them apart from the other proposers.
- **Development Team Information**: Details concerning the proposed project's lead developer, co-developer (if applicable), architect, property manager, service provider(s), and/or other development partners. Information submitted for each development team member should include examples and supporting narratives demonstrating prior experience with housing similar in build and population served to the project. Depending on the development's parameters and the city's preferences, information for different roles can be required or made optional. For example, if the city seeks housing for a high-acuity population, the proposed service provider's information should be required. Or if the city would like a mixed-use development, the development team may also include a commercial leasing/property manager.
- **Development Concept**: A description of the overall vision, housing concept (including affordability targets), and development program, as well as a summary of uses and floor areas. This should describe how the development concept advances the public agency's identified housing goals and policies. Site plans and conceptual design renderings prepared for the project can be included to show what a public agency wants to be developed on the site.
- **Schedule of Performance:** A preliminary schedule of performance outlining the estimated time for each development step and phase (if appropriate), including a timeline or similar graphic representation of the development process. A summary of average timelines for various aspects of the development process is provided below.[18] Values are estimates and subject to variation based on the specific details of each project:
    - Concept Design and Entitlements: 6–12 months
    - Securing of Project Financing: 2+ years
    - Construction Drawings and Permitting: Concurrent with the last financing phase
    - Construction Phase: 15–20 months
    - Lease-Up Stabilization: 6–9 months

  Cities should be open to, and may even encourage, alternative approaches that can shorten the project schedule, such as the use of modular construction or a unique

[18] Southern California Association of Nonprofit Housing. 2023. Project Feasibility Analysis: How a Developer Assesses Land Use Potential for Future Affordable Housing. April 18.

financing model. The RFP should request that proposals with alternative approaches include examples in which the developer successfully implemented the approach. A consultant can help to evaluate the feasibility of proposed alternative approaches.

- **Services Concept**: If applicable, a general description of services that will be provided on-site or off-site, the location of where services will be provided, the name of the organizations that will provide the services, a Conceptual Service Plan from the partner organization(s), and a funding strategy for the services.
- **Community Involvement Plan**: A description of the plan/approach for engaging residents, neighborhood organizations, target populations (including potential future residents of the proposed development), and other interested stakeholders and individuals to provide feedback on the project, as well as how the development team will address community feedback on the development. Understanding neighborhood expectations in the preliminary stages can prevent opposition to the project, which could slow building development and increase costs. The community involvement plan may detail an approach to reaching stakeholders who have barriers to engaging with traditional outreach methods, including but not limited to language, online access, and disability. Public agencies can require a developer to hold a minimum number of community workshops open to the public before finalizing design drawings for submission to an agency's Planning Division.
- **Financing Strategy**: Public agencies can request the following financing strategy items from development teams. The sensitive nature of financial information requested through the RFP process should be recognized. Information, such as the following, provided by development teams should be used solely for purposes of evaluation and should be kept confidential to the fullest extent allowed by law:
  - Tables detailing construction period sources and uses of funds and permanent period sources and uses of funds for the proposed scope of development broken down by use (e.g., residential and commercial, if included as part of a mixed-use development).
  - An annotated development budget with specific line items, including the land acquisition costs, direct construction costs, indirect construction costs, and financing costs for the proposed scope of development. The information should include preliminary estimates of contractor-related costs, developer fees, and any payments proposed to be made to parties related to the development team, including investors and managers.
  - A summary of assumptions applied in the financial analysis.
  - Operating pro forma information, including detailed estimates of income, operating expenses, and debt service payments for the project at stabilized occupancy, as well as a conceptual cash flow projection for the project for a 55-year affordability period following the project's full buildout and achievement of stabilized occupancy.
  - If applicable, identified payments anticipated to be made to a tax credit partner, debt service payments on any public agency assistance to the project, and ground lease payments.
  - Construction and permanent loan underwriting terms.
  - Anticipated rental subsidies for the development, obligations the development team is proposing that the public agency accepts, a proposed repayment structure for any requested public agency financial assistance, and a financing timeline.
- **Development Team Financial Capacity and Experience**: To evaluate a development team's financial capacity and experience, public agencies can request the following:
  - Audited financial statements for the primary developer firm going back 2–3 fiscal years.
  - A portfolio of developments, including current and pipeline developments, with a focus on developments analogous to the project.

  - If applicable, a portfolio of partnerships and financing for supportive services, including current and pipeline partnerships.
  - Demonstrated experience obtaining funding sources identified in provided sources and uses of funds, including LIHTC and federal housing subsidies.
  - Receipt and administration of federal housing subsidies.
  - Identification of any outstanding recourse and non-recourse debt, including repayment terms, for the team members financially responsible for the project.
  - Identification of any non-performing loans, including the outstanding balance and duration of the delinquency, for the team members financially responsible for the project.
  - Identification of any loans or financial obligations that the team members financially responsible for the project have defaulted on during the last 5 years.
  - Any legal actions taken against the developer in the last 5 years, including fair housing violations.

Public agencies should detail the minimum capacity and experience requirements of developer applicants in the RFP so that all evaluated proposals are from developers who can successfully complete a project. These minimum capacity and experience requirements can vary based on the project's anticipated interest and complexity, and the public agency's balance of preferences between a more innovative approach and a more traditional approach. Requirements can include the following:

- **Minimum Developer Experience**: Require developer applicants to have completed a minimum number of affordable housing developments within a specified period (e.g., two developments within the previous 5 years).
- **Minimum Ownership Experience**: Require developer applicants to own a minimum number of affordable housing developments for a specified period (e.g., one development for a minimum of 5 years).
- **Minimum Property Manager Experience**: Require proposed property managers to have managed a minimum number of qualified projects for a specified period (e.g., two qualifying projects each for at least 36 months).
- **Asset Management Capacity**: Require documented capacity to successfully manage real estate assets in compliance with regulatory agreements and restrictions.
- **Financial and Staffing Capacity**: Require demonstrated ability to obtain competitive financing and documented capacity to successfully plan, design, and develop the project using staff with appropriate experience and capacity, contracted services, or collaboration with more experienced organizations.

RFPs should detail the selection criteria and scoring the public agency will use to select a developer partner. Criteria can be broken into scoring categories with corresponding weights. The SGVRHT has seen public agencies use the following categories with accompanying descriptions:

- **Financing Strategy and Financial Capacity**: The proposal demonstrates an ability to construct and operate an affordable housing development that minimizes the public agency's contribution (if desired), leverages diverse resources, and will be financially feasible and sustainable for at least 55 years.
- **Experience with Similar Affordable Housing Projects**: The developer and their team's background, experience, management of similar affordable housing projects, and overall capacity to develop the project.
- **Project Design Philosophy and Community Benefit**: The project is evaluated on features that enhance and complement the surrounding neighborhood and offer on-site

tenant amenities suitable for the targeted population. The submitted community involvement plan should demonstrate the ability to engage residents.

- **Project Readiness**: Applicants should have a development and service provider team ready to execute, financing source options specified in submitted pro formas and related documents, and a detailed project delivery timeline. Public agencies can specify the date range in which the project should obtain permits or complete construction.

These criteria can be modified based on the public agency's needs. For example, public agencies with greater time sensitivity can modify the "Project Readiness" criterion to score based on the estimated project schedule or agencies seeking a visually striking development may prioritize a creative design. Other criteria can include considerations for environmental sustainability features, deeper income affordability (e.g., more units at 30 percent of AMI or a lower average AMI), local or targeted hiring commitments[19], providing services or amenities to the broader community, or whatever else is important to the city.

A criterion that focuses on a simple measure of cost per unit can be used but is not advisable due to the many variations that affect costs and the preliminary nature of the cost estimates. It is also important to note that certain criteria can be elevated to the detriment of other criteria. For example, emphasizing environmental sustainability or deeper income affordability is likely to increase costs and/or require a larger agency contribution. It is important for the criteria used and their weights to reflect the city's priorities. Finally, the RFP should include terms and conditions to outline developer responsibilities and any items deemed necessary by an individual public agency's legal counsel.

The following table details the general timeline for RFP issuance, proposal submission, and developer selection.

Milestone	Timing/Note
RFP issued	Can be issued via an online procurement service
Applicant question submission deadline	2–3 weeks after RFP issuance
Public agency answers provided	1–2 weeks after the question submission deadline
Proposal submissions deadline	4–6 weeks after RFP issuance; submissions can be received through the procurement service
Applicant team interviews	4–5 weeks after proposal submission deadline
Developer selection	2–3 months after initial proposal submission deadline

Issuing an RFP via an online procurement service can be accompanied by emails sent directly to developer firms that a public agency believes could be a good fit for the project.

The SGVRHT and SGVCOG are available to support public agencies in developing an RFP and selecting developer partners. Thanks to funding from the Regional Early Action Planning (REAP) 1.0 Program, the SGVCOG has worked with Harris & Associates to develop a template RFP, which is included in Appendix C.

[19] For examples and potential definitions, see the Los Angeles County Local and Targeted Worker Hire Programs at https://economicdevelopment.lacounty.gov/local-worker-program.

If the site is subject to the SLA, public agencies will be required to offer the land for sale or lease to affordable housing developers before selling or leasing the land to other individuals/entities. The “standard” and “exempt” surplus processes include the following steps:

- **Standard Surplus Process**
  - A public agency declares land “surplus” by adopting a resolution at a public meeting.
  - The public agency issues a Notice of Availability to required entities, providing entities the ability to submit an intent to purchase within 60 days.
  - If an interest to purchase is received, a public agency must negotiate in good faith for up to 90 days. Affordability restrictions on the property must be prioritized.
  - Public agency submits information on proposed disposition with the required level of project affordability and covenant to the California Department of Housing and Community Development (HCD) for review.
  - Public agency must address the HCD’s findings, after which the public agency may dispose of the land.
- **Exempt Surplus Process**
  - Public agency declares land “exempt surplus” pursuant to the applicable California Government Code section.
  - Public agency must submit an exemption declaration and supporting materials to the HCD for review.
  - Public agency must address the HCD’s findings, after which the public agency may dispose of the land.

Public agencies may dispose of property subject to the SLA via alternative pathways. SLA guidelines should be reviewed carefully to ensure proper adherence and compliance with the SLA. This document does not serve as legal advice, and public agencies should confirm legal requirements and options with their legal counsel.

E. DEVELOPER PARTNER SELECTION

Evaluation criteria detailed in the RFP will guide the developer partner selection for a project. Public agencies should review proposals to verify the completeness and conformity of submission materials against the RFP requirements. The applicant scoring against RFP requirements should include multiple scorers, whose scores can be averaged. Obtaining proposal reviews from multiple parties (internal and external) with diverse perspectives (e.g., individuals from different city departments) is helpful to a comprehensive approach to selecting the right developer partner. Proposal reviews should clarify the following:

- **Proposed Unit Mixes**: Do proposed projects meet the stated housing goals of a public agency as they relate to the number of units, affordability restrictions, and target populations to be served? Do proposed unit mixes maximize a project’s competitiveness for identified funding sources?
- **Development Teams**: What experience does each developer team have in designing, constructing, and managing similar projects? Do proposed service providers have experience with the target populations to be served on the site?
- **Development Timelines**: How do development timelines across applications compare? Are they feasible and do they align with public agency goals?
- **Development and Operating Expenses**: How do development expenses per unit across the proposed projects compare? Are they feasible, and do they align with development costs for similar developments in the area and the cost of proposed design aspects (e.g., subterranean parking)? How do operating expenses per unit across the proposed projects compare? Do the proposed projects align with operating costs for similar developments in

the area and the cost of any services proposed on-site? If a project seeks financing from the California Tax Credit Allocation Committee, are applicable operating expense minimums met?[20] Are projects underwritten with a minimum debt service coverage ratio, usually between 1.10 and 1.20?

- **Ground Lease Structures**: If the disposition of a site will be via a ground lease, how do proposed ground lease structures compare across the proposed projects? Are any structures especially advantageous to or risky for the public agency?
- **Financing Strategies**: How detailed are the construction and permanent financing strategies provided for each proposal? Which projects request the highest and lowest amounts of public agency financial assistance? How feasible is it for the proposed projects to obtain identified funding sources given the individual competitiveness of each source and the proposed project's financing strategy and unit mix (bedroom counts and income level restrictions)?

Once proposals are reviewed, a public agency may submit questions for the applicants to answer in writing and/or schedule interviews with the developer applicants with the strongest proposals. Although this step is optional, it allows public agencies to clarify any information in the proposals received and to ask any questions that arise during the review process. The complexity of the review process should align with the scope of the development. Larger developments may warrant more steps in the review process, while reviews for smaller developments should be shorter. The proposal review and applicant interview findings can be compiled into a findings and developer selection recommendation report to present to the public agency's legislative body for review and approval.

F. NEGOTIATION AND AGREEMENTS

Once a developer partner is selected, a public agency should enter into an Exclusive Negotiating Agreement (ENA), followed by an executed Disposition and Development Agreement (DDA) or a Disposition, Development, and Loan Agreement (DDLA), with the developer. During this process, the developer and public agency will set parameters and expectations for the following terms:

- Site Plan
- Construction Plans
- Financing and Equity Schedule
- Construction Requirements
- Permitting and Entitlement Schedule
- Insurance
- Conditions of Title and Property
- Escrow and Closing
- Compliance Requirements
- Assignments and Transfers
- Security Financing and Rights of Holders
- Regulatory Requirements
- Purchase Option (if desired)

These terms create guidelines and clarify the developer's and public agency's obligations, creating a roadmap to develop and manage a successful project. The ENA allows the public agency and the developer to negotiate the necessary terms of a development agreement while committing both parties to good faith efforts to reach an agreement. Generally, the more specific

[20] California Tax Credit Allocation Committee operating expense minimums are established annually.

the DDA or DDLA can be made, the more protections the city will have to demand specific performance from the developer. During the ENA term and following the DDA/DDLA process, the city generally should require and expect the developer to:

- secure other financing;
- engage other development partners and consultants, such as a general contractor or a community engagement consultant;
- conduct environmental studies, testing, or remediation;
- engage the community;
- develop the project design in more detail, including architectural and engineering drawings;
- apply for and to secure permits for the development;
- provide regular updates to the agency on how the development is proceeding; and
- complete other pre-development activities, as applicable.

One of the major benefits of using publicly owned land is that the reservation of the site for affordable housing development avoids the potentially expensive and time-consuming process of site acquisition and offers more time for predevelopment activities. The ENA and DDA/DDLA help to ensure that this benefit is not abused by the developer. Specific schedules and deadlines make it easier for the public agency to evaluate whether a development is proceeding satisfactorily, to request that a developer perform in accordance with the agreement, and, if necessary, to terminate an agreement and initiate the process with another developer.

Many developments will separate the predevelopment process from the construction and operations processes. Agencies can determine if they prefer to enter into one agreement to cover the entire process (which is more likely to be appropriate if the agency is contributing the land only) or to enter into separate agreements for predevelopment and for construction/operations (which is appropriate if the agency is also contributing funding).

III. SGVRHT PARTNERSHIP OPPORTUNITIES

By strategically using publicly owned land, public agencies can increase their supply of affordable housing while relying less on outside funding sources to address the pressing need for affordable housing in their communities. Public land offers a unique opportunity for public agencies: it allows public agencies to tailor projects to local needs and prioritize affordability. The SGVRHT is committed to its mission of expanding and preserving affordable housing in the San Gabriel Valley by supporting predevelopment activities and providing construction and permanent financing opportunities to its members. If you are an eligible public agency interested in joining the SGVRHT or would like to learn how the SGVRHT can support projects within your jurisdiction, please reach out.

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www.SGVRHT.org

Harris & Associates has worked with the SGVCOG and SGVRHT on the development and implementation of several projects and programs. Harris & Associates' Community Development + Housing Consulting division offers services to public agencies, ranging from assisting with the development of affordable housing on publicly owned land to building comprehensive affordable housing policies and programs. If you are interested in learning how Harris & Associates can help your public agency, please reach out.

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IV. APPENDIX A: PARTENERSHIP HIGHLIGHTS

The SGVRHT/COG, in partnership with public agencies throughout the San Gabriel Valley, has facilitated the development of affordable housing projects aimed at serving low-income families, seniors, and the formerly unhoused. Developments have included for-rent multifamily projects, accessory dwelling units, and for-sale single-family homes. The following projects highlight the value public agencies can gain in partnering with the SGVRHT/COG to develop publicly owned land.

A. SAN GABRIEL

The City of San Gabriel partnered with the SGVRHT/COG to facilitate affordable housing development on surplus land located within the city and owned by the SGVCOG. The property had been acquired as part of the Alameda Corridor-East (ACE) project, to improve safety and upgrade mobility along one of the nation's busiest rail freight corridors. Together with the City, the SGVCOG and SGVRHT identified the site as a potential affordable housing development, worked to acquire the site from the ACE Construction Authority (which itself had been created by the SGVCOG), and communicated with an affordable housing developer to envision a potential development.

The SGVRHT utilized the land as matching funds for its 2023 Local Housing Trust Fund (LHTF) funding application, resulting in more than $2.0 million in awarded funds being committed to the site's development into affordable housing. Additionally, the developer partner for the project applied for funding through the SGVRHT's RLF program. The project, a 60-unit affordable housing multifamily development aimed at serving families, was awarded an RLF loan of $810,000 to fund environmental testing and remediation at the site.

B. SOUTH PASADENA & DUARTE

The City of South Pasadena Housing Authority (City of South Pasadena) and the City of Duarte partnered with the SGVRHT/COG to facilitate the development of affordable housing on agency-owned land. These partnerships paved the way for the development of approximately 50 senior affordable housing units within the City of South Pasadena and 35 family affordable housing units within the City of Duarte.

Harris & Associates (Harris) was engaged as a technical consultant by the SGVRHT/COG to provide affordable housing technical assistance services to its member cities, including South Pasadena and Duarte. Both cities sought to develop affordable housing on agency-owned land. Harris & the SGVRHT engaged an architecture firm to create conceptual designs demonstrating each project site's potential unit yield, building type, design quality, and desired style. Conceptual designs included an illustrative site plan and exterior perspective rendering highlighting the style and scale of affordable housing developments that could be built on the sites. Harris then performed an economic analysis for each site to evaluate what would be required to produce financially feasible affordable housing projects. The analyses identified opportunities and challenges to address and helped each agency understand the feasible characteristics of proposed developments, including the number and size of units based on existing zoning and density bonuses, proposed funding source requirements (e.g., number of units at or below 30% AMI, prevailing wage requirements, parking requirements, etc.), and the projected competitiveness for various funding sources (i.e., from TCAC and LACDA).

Harris then helped each city draft RFPs detailing the development opportunity of each site and City requirements, such as the minimum number of units to be developed and target populations to be served at the sites. Project conceptual designs and the findings of Harris' economic analyses were incorporated into each RFP. Harris then worked with each agency to distribute and market the RFPs to a network of affordable housing developers and partners who operate in Southern California. The City of Duarte received a total of three proposals from developers, and the City of South Pasadena received a total of six proposals.

Harris continued to assist the City of South Pasadena by evaluating the six development proposals received in response to the issued RFP. Notably, the City of South Pasadena site included a building leased to a local theatre workshop. The City required a selected developer partner honor the lease agreement through its contracted duration. Various of the proposals incorporated the existing building in the design, potentially allowing it to continue to be used by residents or the community rather than necessitating its removal for the affordable housing development. Harris' evaluation culminated in a detailed report providing an overview of the proposals submitted, evaluating the financing strategy and financial capacity, proposed project design and community benefit, experience with similar affordable housing projects, and project readiness of each developer. Harris' findings were combined with evaluations performed by City of South Pasadena staff members to recommend a proposed developer partner for the site to the City's Council.

V. APPENDIX B: FINANCING

To support affordable housing development on public land, public agencies should consider how projects developed by affordable housing partners can be financially supported. Funding sources developers can direct to the development of affordable housing include the following:

SGVRHT: Formed to fund and finance the planning and construction of extremely low-, very low-, low-income, and homeless housing projects.

- Revolving Loan Fund (RLF) Program: Designed to fill funding gaps and provide predevelopment loans that help affordable housing developers overcome initial hurdles while they determine project details and secure permanent financing. RLF program funds can be used for land acquisition, predevelopment expenses, construction loans, bridge loans, acquisition and rehabilitation expenses, and mini-permanent loans. RLF program loans will typically be short-term, below-market loans to be repaid from construction or permanent financing within 36 months of RLF program funds drawdown (with options to extend). Once repaid, the loans and their accrued interest will revolve back into the RLF program to apply to other projects. RLF funding is available to projects within full SGVRHT member city jurisdictions. Through March 2024, the SGVRHT awarded over $11 million in RLF funding to six projects.
- Innovative Affordable Housing and Homelessness Programs: The SGVRHT allocated $4 million to Innovative Affordable Housing and Homelessness Programs to provide flexible opportunities to address local housing needs. These supported innovative permanent housing models such as modular housing, accessory dwelling units, and other types that are deed-restricted to tenants at or below 80 percent AMI. Additional funding may be available in the future.

Low-Income Housing Tax Credits (LIHTC): Many affordable housing developments seek LIHTC financing. Internal Revenue Code, Section 42, provides for LIHTC to support affordable housing developments in two categories:

- 9% LIHTC: Provides a 70 percent subsidy for new construction and substantial rehabilitation without federal subsidies but, due to more limited availability, is highly competitive and difficult to obtain. 9 percent generally refers to the percentage of a project's eligible development costs, providing tax credits equal to 9 percent of the cost of constructing or rehabilitating a qualifying affordable housing project.
- 4% LIHTC: Provides a 30 percent subsidy for the acquisition of existing buildings for rehabilitation and new construction financed by tax-exempt bonds. Pairing 4 percent credits with tax-exempt bonds provides a source of debt financing with a lower interest rate than traditional bank financing. 4 percent generally refers to the percentage of a project's eligible development costs, providing tax credits equal to 4 percent of the cost of constructing or rehabilitating a qualifying affordable housing project.

Affordable housing development in the San Gabriel Valley is likely to be accompanied by various non-LIHTC sources, such as loans from the LACDA and state funding via programs such as the Multi-Family Housing Program, Affordable Housing and Sustainable Communities Program, or Infill Infrastructure Grant Program.

State Funding Programs via the HCD available directly to developers:

- Multi-Family Housing Program: Offers low-interest, long-term deferred-payment loans for the construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.
- Infill Infrastructure Grant Program: Supports infill housing development by providing financial assistance for Capital Improvement Projects that are essential to create affordable, mixed-income housing. The program offers grants to bridge funding gaps for infrastructure, factory-built housing components and adaptive reuse necessary for specific residential or mixed-use infill developments. Eligible costs include but are not limited to the creation, development, or rehabilitation of parks or open space; water, sewer, or other utility service improvements (including internet and electric vehicle infrastructure); streets; roads; transit station structured parking; transit linkages or facilities; facilities that support pedestrian or bicycle transit; traffic mitigation; sidewalk or streetscape improvements; factory-built housing components; adaptive reuse; and site preparation or demolition.
- Affordable Housing and Sustainable Communities Program: Funds projects implementing land use, housing, transportation, and agricultural land preservation practices to reduce greenhouse gas emissions. The program provides grants and loans to projects that achieve greenhouse gas emissions reductions and benefit disadvantaged communities and low-income communities and households by increasing the accessibility of affordable housing, employment centers, and key destinations through low-carbon transportation.

State Funding Programs via the HCD available directly to public agencies are:

- Local Housing Trust Fund (LHTF) Program: Administered by the HCD and matches funds to local and regional housing trust funds dedicated to creating, rehabilitating, and preserving affordable housing, transitional housing, and emergency shelters. Housing trusts can directly apply for LHTF program funding for eligible projects within their jurisdictions. Eligible projects must adhere to LHTF program guidelines, be in a jurisdiction with a certified Housing Element, and have a minimum of 30 percent of units rent-restricted at the 30 percent AMI level.[21] The SGVRHT previously applied and continues to apply annually for LHTF program funds since the program's first year in 2020. Through the SGVRHT, the LHTF program is accessible to eligible projects in full member cities with an approved Housing Element. The SGVRHT prioritizes new projects (i.e., new construction and projects that have not yet received permanent financing from the SGVRHT), accepts applications on a rolling basis, maintains a project pipeline based on applications received, and continuously seeks additional sources to support eligible projects.
- Permanent Local Housing Allocation (PLHA) Program: Administered by the HCD and provides grant funding to eligible local governments for housing-related projects and programs that address unmet housing needs of their local communities. The program includes a formula-based component and a competitive component. For the former, funding is allocated to agencies through a formula procedure established by the HCD. Non-entitlement local governments, as defined in the PLHA Program Guidelines, are eligible to apply for funding through their corresponding county. Eligible PLHA program funding activities vary, including matching funds for the LHTF program and the predevelopment, development, acquisition, rehabilitation, and preservation of multi-family,

[21] California Department of Housing and Community Development. 2020. Local Housing Trust Fund Program Final 2020 Guidelines.

residential live-work, and rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households.[22]

Los Angeles County Development Authority (LACDA): Administers programs that provide funding for affordable housing throughout the county.

- HOME Investment Partnerships Program: Sponsored by the U.S. Department of Housing and Urban Development, administered by the LACDA, and allocates approximately $9.6 million in HOME funds annually. These funds, which are allocated through the annual Notice of Funding Availability under the Multi-Family Housing Program, support the Home Ownership Program (providing secondary mortgage financing for first-time homebuyers) and proposed new development.
- Multi-Family Rental Housing Program: Administered by the LACDA, provides loan programs for the development, construction, or renovation of multi-family rental housing for special needs populations. Eligible projects applying for funding under a Notice of Funding Availability must offer at least 15 units of permanent rental housing through new construction or acquisition with substantial rehabilitation. Affordable rents and income restrictions are required in exchange for favorable loan terms. Notice of Funding Availability Round 30 provides capital funding, Section 8 PBVs, and project-based Veterans Affairs supportive housing vouchers for eligible permanent, affordable, multi-family rental housing units. Applicants can confirm eligibility using the Notice of Funding Availability Round 30 Map.
- Multi-Family Bond Financing: Administered by the LACDA, which issues tax-exempt and taxable multi-family housing bonds for qualified developments in the county. Taxable bonds are generally issued in combination with tax-exempt bonds and do not require an allocation of bond authority from the California Debt Limit Allocation Committee.
- L.A. County Housing Innovation Fund II (LACHIF II): A revolving loan fund of approximately $70 million administered by the LACDA in partnership with participating community lenders. These loans finance acquisition and predevelopment costs for affordable housing developments in the county. Both nonprofit and for-profit borrowers are eligible for LACHIF II loans. Since its inception in 2013, LACHIF II has lent approximately $70 million to affordable housing developers, resulting in close to 2,100 units of affordable housing developed or in the pipeline.

[22] California Department of Housing and Community Development. 2024. Permanent Local Housing Allocation Program Final Guidelines.

VI. APPENDIX C: RFP TEMPLATE

The SGVRHT and SGVCOG are available to support public agencies in developing an RFP and selecting developer partners. Thanks to funding from the REAP 1.0 Program, the SGVCOG has worked with Harris to develop a template RFP, which is included in this appendix.

CITY OF [ENTER CITY NAME]

NOTICE OF FUNDING AVAILABILITY & REQUEST FOR AFFORDABLE HOUSING DEVELOPMENT PROPOSALS

[INSERT PHOTO OF SITE]

Issue Date: (enter date)
Application Due Date: (enter date and time)

Issued by the City of [ENTER CITY NAME]
Prepared by Harris & Associates

The City of [ENTER CITY NAME] invites proposals from affordable housing developers to increase the City's supply of affordable housing.

Harris & Associates

TABLE OF CONTENTS

I. INTRODUCTION

To promote the development of permanent affordable housing for low-, very low-, and extremely low-income households, the City of [ENTER CITY NAME] ("City") invites proposals from qualified developers to develop affordable housing at [INSERT ADDRESS AND APN HERE] ("Project Site"). The Project Site is approximately _____ square feet (___ acres) and is currently zoned _______. The Project Site must be developed with housing units affordable and restricted to households earning at or below 120% [or 80%] of the Los Angeles County median income. Prospective applicants are encouraged to reference the Project Site development concept provided in Appendix A, which includes a conceptual site design. The development concept has been reviewed by City staff and prospective applicants may reference it as an example or propose alternative designs or concepts.

In addition, the City announces the availability of $__ million in funds to be awarded to a qualified housing developer for the development of the Project Site. The use of these funds must comply with the ____ [SOURCE] Guidelines.

It is expected that multiple funding sources will be utilized to develop and finance this Project. The City encourages all respondents to maximize State, Federal, and local funding sources. If Low-Income Housing Tax Credits ("LIHTC") are not identified as a source of funds, please address how Article 34 compliance will be achieved. The City will select one project based on the requirements presented under the Evaluation Criteria section of this Request for Proposals ("RFP"). The City intends to enter into an Exclusive Negotiation Agreement ("ENA") as a precursor to an executed development agreement.

All proposals shall be submitted to the City as described herein no later than 5:00 PM on _______ __, 2024. Late or incomplete proposals will not be accepted or considered. See the "Submittal Requirements and Schedule" section for more detailed instructions.

The City will select proposals that meet the following outcomes. [CUSTOMIZED FOR EACH CITY]

1. The City will prioritize developments that enable the maximum number of units to be developed overall and to serve as many areas of the City as possible.

2. The City will prioritize developments that are designed to fit within the character of the local community.

3. The City will prioritize developments that serve the _____ [e.g., senior, large family] population.

4. Proposals should indicate how the proposed development achieves the City's Community Housing Needs, as described below in Section III, and achieves the goals identified in the City's Housing Element.

A. OBJECTIVES

The City's goals with this NOFA/RFP include the following:

- To support the development of affordable housing in accordance with the City's 2021-2029 Housing Element.
- To commit the use of a City-owned parcel and to award funding for affordable housing

development on the site.

- To utilize its resources (both funding and land) as efficiently and effectively as possible.

B. DISCLAIMER AND RESERVATION OF RIGHTS

By submission of a proposal, the developer represents that it and any subsidiary, partner, or affiliate will not discriminate against any individual for housing because of race, religion, sex, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy-related conditions, political affiliation or opinion, or medical condition. This requirement and other requirements pursuant to California law will be part of all contracts and agreements.

- The City reserves the right to accept or reject any or all submittals received in response to this request, to negotiate with any qualified source, request additional documentation, or cancel in whole or part this process in its sole and absolute discretion. Subsequent to negotiations, prospective consultants may be required to submit revisions to their proposals.
- The City reserves the right not to award a Contract pursuant to this RFP. This solicitation does not commit the City to award a contract, to pay any cost incurred with the preparation of the proposal, or to procure or contract for services or supplies.
- The City reserves the right to reject and not consider any proposal that does not meet the requirements of this NOFA/RFP. False, incomplete, or unresponsive statements in connection with the developer's submission may be sufficient cause for rejection.
- The City shall reserve the right at any time during the RFP or contract process to prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the requirements detailed herein.
- The City reserves the right to postpone selection for its own convenience, to withdraw this RFP at any time, and to reject any and all submittals without indicating any reason for such rejection.
- The City reserves the right to remedy any technical errors in the response to the RFP and modify the published scope of services.
- The City reserves the right to request that specific personnel with specific expertise be added to the team, if the City determines that specific expertise is lacking in the project team. Proposals and other information will not be returned.
- The City reserves the right to abandon the RFP process and/or change its procurement process for the contract at any time if it is determined that abandonment and/or change would be in the City's best interest. The City will not be liable to any contractor for any costs or damage arising out of its response to the RFP.

C. CITY CONTACT

All communication and/or contact with the City regarding this NOFA/RFP are to be directed to the following:

Name, Title
City of __________
Phone Number
Email address

II. IMPORTANT DATES AND SUBMISSION PROCESS

A. IMPORTANT DATES

NOFA/RFP Issued	
Deadline to indicate interest *(optional)*	
Deadline to submit questions	
Questions and answers provided	
Proposal submissions due	
Notification to project teams who have met submission requirements	
Project team interviews, if necessary	
Developer selection (followed by ENA)	

B. REGISTRATION FOR NOFA/RFP ***(*Note: This may be optional, depending on City's preference)***

The City requests that all interested parties submit an indication of interest by **__, 2024 at 5:00 pm** via email to (enter point of contact email address). All addenda, responses, and instructions for electronic submission will be distributed to all parties who have submitted an indication of interest.

C. PRE-SUBMISSION/Q&A

The City will provide the opportunity for questions to ensure that interested developers understand the minimum qualifications requirements and selection process. The City will issue a written addendum to the NOFA/RFP (in the form of a Questions and Answers document) to all parties that have submitted interest for the NOFA/RFP. The City reserves the sole right to determine the timing and content of the response, if any, to all questions and requests for additional information.

No questions will be accepted after _______ __, 2024 at 5:00 pm. All questions regarding this NOFA/RFP must be submitted by e-mail to (enter point of contact email address) before the deadline. Questions received after the deadline may not be answered. All addenda, responses, and additional information will be distributed to all parties who have submitted interest.

D. FINAL REVIEW AND SELECTION

Selected applications will be scheduled for review and funding commitment by the City. The selection of a developer is subject to final approval by the City Council. A selection may be conditional on the developer's agreement to meet certain terms for the development.

III. PROJECT BACKGROUND AND FUNDING SOURCES

The City is offering a physical site to support affordable housing development. The City will consider all proposals and applications and may seek to maximize the amount of affordable housing it can support from City resources.

Prospective applicants are encouraged to reference the Project Site development concept provided in Appendix A, which includes a conceptual site design. The development concept has been reviewed by City staff. Prospective applicants may reference it as an example or propose alternative designs or concepts. The Project Site development concept includes the following:

- number of units and size of units based on existing zoning and density bonus;
- complimentary on-site features, including leasing office, services office, and residential amenities.

A. PROJECT SITE

The Project Site is __ square feet (__ acres), currently zoned ___. The following table summarizes the basic site information including address, APN, zoning, lot size, height restrictions, and lot coverage. [DESCRIBE IF SITE IS VACANT OR HAS IMPROVEMENTS HERE.]

APN	
Address	
Zoning	
Lot Size (acres)	
Lot Size (square feet)	
Maximum Height	
Maximum Lot Coverage	

Qualified developers are encouraged to utilize the state density bonus laws and propose incentives and concessions to help make the affordable housing development more economically feasible.

Please refer to the [City Name] Municipal Code/Zoning Code/Design Standards/Housing Element etc. for more detailed development information and requirements:

[Insert links to City documents]

B. PROJECT LOCATION

The Project Site is located on ___. The Freeway is located __ miles away. The Airport is __ miles from the Project Site. A map of the area is provided as Exhibit __.

Exhibit __: The Neighborhood

[Insert map of Project Site and neighborhood amenities]

The Project Site is located within the following distances of the following destinations and neighborhood amenities:

- __ miles from ___Park
- __ miles from __ School
- __ miles from a Hospital
- __ miles from a Pharmacy

The Project Site is located near multiple light rails and/or bus stops. (Light rail description here). There is a total of __ bus stops located within __ miles of the Project Site. The bus stops within walking distance of the Project Site are located at the following:

- [Insert list of bus stop locations]

C. FUNDING SOURCES (*If applicable)*

The City expects developers to identify funding sources such as Low-Income Housing Tax Credits (“LIHTCs”), California Department of Housing and Community Development (“HCD”) funding, Los Angeles County funding, and other gap financing, if needed. If LIHTCs are not identified as a source of funds, please address how Article 34 compliance will be achieved.

Applicants are responsible to review applicable funding source requirements and to propose developments consistent with proposed funding.

D . CITY BACKGROUND

[Insert brief background on the City, including location, population, public amenities, major transit routes, and household characteristics. Reference Map of City.]

Exhibit __: City of _________

[Insert map of City within the region]

E. COMMUNITY HOUSING NEED

[Subject to City preferences, insert brief explanation of the City's general housing needs in regard to special-needs population as described in the most recently approved Housing Element and Needs Assessment]

IV. SUBMITTAL REQUIREMENTS AND SELECTION PROCESS

A. SUBMITTAL REQUIREMENTS OVERVIEW

Proposals shall be submitted via email, with attachments and/or a link to a file-sharing platform and shall include the elements listed below. Please note the table at the end of this section identifying the submittal checklist.

1. Cover Letter

The cover letter shall serve as an Executive Summary of the major points contained in the proposal and must be signed by a principal or officer authorized to represent and commit on behalf of the firm(s). Cover letters should be no more than two (2) single-spaced pages and shall include the name, address, phone number, and email address of the proposer's lead contact person.

2. Development Team Information

Lead Developer Information:

a. State the official name, address, and the names and titles of the proposer's principals.

b. Indicate the form of legal entity (e.g., individual, limited partnership, nonprofit corporation, general partnership, joint venture, for-profit corporation, limited liability company, etc.) and any relationship the development organization may have with a parent corporation, subsidiaries, joint ventures, or other entities.

c. Experience working within the region and in the City specifically.

d. Submit the proposer's Articles of Incorporation, partnership, or other business organizational documents (as appropriate) filed with the California Secretary of State. The organization must be in good standing and authorized to do business in California.

Development Team:

a. Provide the name, title, address, telephone number, email address, and resumes of key development team members such as the developer(s), service provider(s), architects and designers, and other team members who will play a key role in the development and operation of the project. Please provide an organization chart that identifies key contacts and the relationship between team members.

b. For each firm included in the development team, provide examples and supporting narrative demonstrating prior experience with one or more of the following:

- Housing for the proposed priority population(s).

- Housing affordable to a variety of income levels from 0% to 80% [or 120%] AMI (either rental or for sale).

- Housing that meets or exceeds all Americans with Disabilities Act requirements.

- Design that incorporates sunlight, air circulation, and/or architecture that complements the local aesthetic.

c. If on-site services will be provided, include information demonstrating the proposed service provider's experience in producing successful outcomes with the proposed priority population(s) for the development. Such data may include, but not be limited to, client satisfaction survey results and/or third-party program evaluation.

3. Development and Services Concept

For each proposed development, include the following:

a. In narrative form, provide a description of the overall vision, housing concept (including affordability targets), and development program. Include a summary of uses and floor areas. The submittal should include statements describing how the development concept advances the City's Goals and Policies in the Housing Element.

b. If on-site services will be provided, include a general description of the on-site location where services will be provided, the name of the organization(s) that will provide the services, a conceptual service plan from the partner organization(s), and a funding strategy for the services. If permanent supportive housing ("PSH") is proposed in the development concept, each proposal must include a letter of intent with any service partner identified.

c. If PSH is proposed, RFP respondents must include a supportive services plan in partnership with either a homeless service provider that is under contract with the County, or with another source of similar services. The supportive services plan should, at minimum, include a funding strategy, agency partners and roles, memorandum of understanding ("MOU") or letter of support with partners, staffing plan, services on-site, services off-site, schedule of on-site staff, steps before beginning eviction, and coordination services with the County and/or local providers.

d. Provide a conceptual site and floor plan illustrating proposed site and building configurations, number of residences and bedroom sizes, target populations, amenities and services for residents, service provider space (if applicable), and bicycle, pedestrian, and vehicular circulation and access points.

e. Include a preliminary schedule of performance outlining the estimated time for each step and phase (if appropriate), including a summary timeline or other similar graphic representation of the development process. The schedule should recognize the time involved in executing an Exclusive Negotiation Agreement and finalizing a Disposition and Development Agreement (for the City's Project Site), receiving project entitlements, designing the project, financing the project, starting and completing construction, lease negotiations, marketing, and final occupancy.

4. Community Involvement Plan

For each proposed development, describe a plan and overall approach for engaging residents, neighborhood organizations, target populations (including potential future residents of the proposed development), and other interested stakeholders and individuals in providing feedback on the project, as well as how the development team will address community feedback on the development. The community involvement plan must detail an approach to reaching stakeholders who have barriers to engaging with traditional outreach methods, including but not limited to language, online access, and disability. At a minimum, the plan must include at least one (1) community workshop open to the public before finalizing design drawings for submittal to the Planning Department. The workshop must be noticed to residents and businesses within 500 feet of the project site(s), as well as widely publicized in the community.

5. Financing Strategy

For each proposed development, include the following:

a. Provide tables detailing construction period sources and uses of funds and permanent period sources and uses of funds for the proposed scope of development, broken down by use (e.g., residential and commercial, if included as part of a mixed-use development).

b. Provide an annotated development budget with specific line items, including the land acquisition costs, direct construction costs, indirect construction costs, and financing costs for the proposed scope of development. The information must include preliminary estimates of contractor-related costs; developer fees; and any payments proposed to be made to parties related to the development team. Developments will be subject to California state prevailing wage rates.

c. Provide a summary of notes that will assist the City in understanding the assumptions applied in the financial analysis.

d. Provide the following operating pro forma information:

- Detailed estimates of income, operating expenses, and debt service payments for the project at stabilized occupancy.

- A conceptual cash flow projection for the project for a 55-year affordability period following the project's full buildout and achievement of stabilized occupancy. The projection should identify payments anticipated to be made to the tax credit partner (if applicable), debt service payments on any City assistance to the project, and ground lease payments (if applicable). Describe the assumptions applied in the projections.

e. Based on information provided in the sources and uses of funds statements, clearly set forth the following information:

- Construction loan underwriting terms; and

- Permanent loan underwriting terms.

f. Other than developments proposed for the City's Project Site, provide evidence of site control and a real estate appraisal (preferred) or other documentation that substantiates the value of the property.

g. Describe any responsibilities and/or obligations that the team is proposing that the City accept.

h. Describe any anticipated rental subsidies for the development.

i. Identify any financial contingencies that the team is imposing on the proposal being offered to the City.

j. Identify the proposed repayment structure for any requested City financial assistance.

k. Financing timeline.

l. Services to be offered and budget with sources.

The City recognizes the sensitive nature of the financial information requested in this RFP. Such information may be submitted in a separate file labeled “Confidential.” This information will be used solely for purposes of evaluation and will be kept confidential to the fullest extent allowed by law.

6. Development Team’s Financial Capacity and Experience

a. The most recent audit, including the management letter, review, or compilation financial statement prepared by an independent accounting firm in accordance with generally accepted accounting principles. The financial capacity materials should be submitted for the team member(s) that will be held responsible for the project financing and ground lease obligations imposed on the transaction. The financial capacity materials must cover a three-year period ending no earlier than ____.

b. Complete portfolio of developments, including current developments and developments in the pipeline. Highlight developments that are analogous to the project(s) being proposed.

c. Complete portfolio of partnerships and financing for supportive services, including current partnerships and partnerships in the pipeline.

d. Demonstrated experience obtaining the funding sources identified in the sources and uses of funds tables in Financing Strategy item #5a.

e. List of developments that have successfully competed for Low-Income Housing Tax Credits.

f. Receipt and administration of federal housing subsidies.

g. Identification of the outstanding recourse and non-recourse debt, including repayment terms for the team member(s) that will be financially responsible for the proposed project.

h. Identification of any non-performing loans including the outstanding balance and duration of the delinquency for the team member(s) that will be financially responsible for the proposed project.

i. Identification of any loans or financial obligations that the team member(s) that will be financially responsible for the proposed project have defaulted on during the last five years.

j. Any legal actions taken against developer in the last five years, including fair housing violations.

B. SELECTION PROCESS

City staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section C below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to City staff on technical grounds only.

A selection panel will review responses. The selection panel will review all qualified responses and may interview top-scoring applicants, at which time applicants will be asked to present and explain the major characteristics of their submittal, particularly as they relate to the scoring criteria, and respond to questions from the selection panel.

After interviews have been completed, the selection panel will select a development team and will present the selection of that team to the City Council. The selection panel's scoring of each proposal will be done by consensus and will be final. The City and the selected applicant will enter into an exclusive negotiating agreement and later into a development and disposition agreement.

If the City terminates negotiations with a selected applicant, the City reserves the right, in its sole discretion, (1) to negotiate with the next highest ranked application, or (2) to reject any and all other proposals, in whole or in part, prior to award, and (3) to re-advertise the NOFA/RFP for the full or partial funding amount under such terms the City deems to be in its best interest. The City reserves the right to request and/or recommend additional parties to the selected applicant team should it be determined that the team lacks the representation necessary to the achievement of the goals of the NOFA/RFP.

C. MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS

Minimum Developer Experience: The proposed Developer must have completed at least two affordable housing developments within the past five years. The definition of "completed" is having received a Certificate of Occupancy by the date of the issuance of the NOFA/RFP. For joint-venture development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture development partners must be submitted with the application.

Furthermore, an applicant can qualify for development experience by contracting with a development consultant for comprehensive project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the NOFA/RFP response and must be acceptable to the City.

Minimum Ownership Experience: The proposed project owner must own at least **one** affordable housing development for at least five (5) years prior to the submittal deadline of this NOFA/RFP. For purposes of this requirement, the managing general partner of a tax credit partnership intended to take ownership of the completed project and to provide asset management for the project is the proposed "owner".

If the Selected Developer entity is not the same entity as the proposed owner, the City reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time the City deems necessary to ensure operating and financial stability.

Minimum Property Manager Experience: The proposed property manager for the project must have managed at least two qualifying projects, each for at least 36 months. The property manager must demonstrate effective strategies for working with service providers to collaborate on the housing stability of residents.

Other Consultants: For any applicant team, the experience of key staff members or other consultants may be substituted for the experience of the organization as a whole as long as the staff member's or consultant's experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the applicant team.

Note Regarding Experience: For any applicant team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff member's experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the Site.

Financial Capacity: The proposed developer (or guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing.

Staffing Capacity: The proposed developer must document its capacity to successfully plan, design, and develop the project(s), throughout the development period, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations.

Asset Management Capacity: The proposed owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions.

D. SELECTION CRITERIA AND SCORING

Submittals will be evaluated based upon, but not limited to, the following criteria:

- Demonstrated understanding of the project and responsiveness to the NOFA/RFP.
- Initial design concept to provide a visual representation of what the project will look like and how it will be laid out on the site.
- Expertise and experience of the development entity, the proposed operator, and other development team members.
- Financial pro forma that includes a 55-year cash flow and demonstrates the ability to pay debt service until retired and specifies all sources and uses of funding in detail.
- Funding requested from the City.
- List of funding sources.
- Readiness to enter into a development agreement and complete the project in a timely manner.
- Financial and organizational capacity of the team to successfully complete the project, including the ability to secure financing and leverage other funding sources to build the highest quality housing project(s).

After the submission due date, the City may choose to conduct interviews. Each applicant's demonstrated experience, qualifications, completeness, clarity, communication, and professionalism as demonstrated through their oral presentation and answers to questions will be used in ranking teams in order of preference. The City reserves the right to require evidence of managerial, financial, or other abilities prior to the award of the contract.

The City will evaluate each proposal and determine whether the applicant is qualified to perform the work detailed in this NOFA/RFP. The City reserves the sole right to judge the contents of the proposals submitted pursuant to this NOFA/RFP and to review, evaluate, and select any or no applicant. Applicants proposing more than one development may be selected for one or some of the proposed developments.

[CRITERIA AND WEIGHTING SUBJECT TO DIRECTION FROM CITY]

Experience with Similar Affordable Housing Projects – 35%
The developer and its team will be evaluated on their background, experience, management of rental housing, and overall capacity to develop the project.

Financing Strategy and Financial Capacity – 30%
The proposal must demonstrate an ability to construct and operate an affordable housing development that minimizes the City's contribution, leverages diverse resources, and will be financially feasible and sustainable for at least 55 years.

Project Design and Community Benefit – 25%
The project(s) will be evaluated on features that enhance and complement the surrounding neighborhood and offer on-site tenant amenities suitable for the targeted population. The community involvement plan should demonstrate the ability to engage residents.

Project Readiness – 10%
For maximum scoring on this criterion, the applicant should have site control and the project should be anticipated to receive entitlements no later than (Date). If the site is not currently zoned for the appropriate residential use, the applicant has adjusted the project timeline to allow for any necessary rezoning.

V. TERMS AND CONDITIONS OF NOFA/RFP

A. DEVELOPER RESPONSIBILITIES

The selected applicant will be responsible for all aspects of the development of the site, including but not limited to the following:

- Involving local community stakeholders in the program setting and initial design of the Project.
- Marketing the development to intended target audiences consistent with the goals of this NOFA/RFP, most notably outreach to communities historically excluded from quality housing or displaced from their neighborhoods.
- Conducting all appropriate due diligence, investigating and determining conditions of the site and the suitability of the site for the proposed development.
- Securing all required development approvals, including but not limited to any necessary permits or approvals from the City's Planning Department and Department of Building Inspection, and from Federal and State agencies associated with environmental and historic preservation reviews (including Certificates of Appropriateness) as applicable.
- Obtaining adequate financing for all aspects of the proposed development, including predevelopment, construction, and operation.

- Designing and building the development in a manner that produces a high-quality, enduring living environment.
- Owning, managing, and operating the development in a manner that ensures its long-term financial viability and the ongoing satisfaction of residents.
- Complying with the requirements of any financing for the development, including but not limited to:
  - Equal Employment Opportunities: The selected developer will be required to comply with local and federal procurement requirements, including the provision of equal employment opportunities for disadvantaged business consultants, architects, contractors, and other potential development team members to participate in the development.
  - Environmental Review: Depending on conditions at the development site and on development plans, the proposed development will be subject to review under the California Environmental Quality Act ("CEQA"), the National Environmental Policy Act ("NEPA"), the National Historic Preservation Act ("NHPA") and specifically the Section 106 historical resources preservation review. Department of City Planning design review may also be required.
  - Accessibility Requirements: Development sponsors will be responsible for meeting all applicable accessibility standards related to publicly funded multifamily housing under Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Americans with Disabilities Act, and certain statutes and regulations of the County of Los Angeles. Units must meet TCAC accessibility requirements, which at the time of RFQ drafting require at least 50% of all units to be adaptable and a minimum of 15% of the units to be accessible, including units for the visually and hearing impaired, consistent with TCAC requirements.
  - Prevailing Wages: This development will be subject to applicable local, state, or federal requirements with regard to labor standards. Developers should take prevailing wage requirements and labor standards into account when seeking estimates for contracted work, especially the cost of construction, and other work to which the requirements apply, and when preparing development budgets overall.
  - Sustainable Design: The City seeks to maximize the overall sustainability of supported projects. The selected development team will be required to pursue any funding that may become available to help pay for the cost of planning and implementing green building components.

B. ERRORS AND OMISSIONS IN NOFA/RFP

Applicants are responsible for reviewing all portions of this NOFA/RFP. Applicants are to promptly notify City staff, in writing, if the respondent discovers any ambiguity, discrepancy, omission, or other error in the NOFA/RFP. Any such notification should be directed to City staff promptly after discovery, but in no event later than five (5) working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

C. OBJECTIONS

NOFA/RFP Terms. If any interested party objects to any provision or legal requirement in this NOFA/RFP, such party must provide written notice to the City at (enter email) setting forth with specificity the grounds for the objection no later than seven (7) calendar days of the date for submitting qualifications (See Section III(A)). Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection to this NOFA/RFP.

Selection of Development Teams for Exclusive Negotiations. The City intends to enter into an Exclusive Negotiation Agreement ("ENA") as a precursor to an executed development agreement. A Respondent may object to a selected development team and the City Staff's authorization to proceed with exclusive negotiations with such development team by delivering written notice to the City setting forth with specificity the grounds for the objection by no later than seven (7) calendar days after the selected development team has been announced and made public by the City. If a Respondent files a timely objection, the City Staff will review such objection and respond in a timely manner, and the City's authorization to enter into exclusive negotiations with the selected development team will not be binding until the City Staff denies the objection. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.

Delivery of Objections. Respondents must submit objections in writing, addressed to the person identified in this NOFA/RFP, and delivered to the City via email at (email address) by the dates specified above in order to be considered. Written objections must be transmitted by email and that will provide written confirmation of the date City received the objections. If a written objection is delivered by US mail, the Respondent bears the risk of non- delivery by the deadlines specified above.