

State of California  
Request for Qualifications  
Affordable Housing Development Under  
Executive Order N-06-19

Location: Placerville Armory

Released: October 19, 2020

Due: November 20, 2020

## STATE CONTACT

Josh Palmer  
Department of General Services  
Asset Management Branch  
707 3<sup>rd</sup> Street, 5<sup>th</sup> Floor  
West Sacramento, CA 95605  
[joshua.palmer@dgs.ca.gov](mailto:joshua.palmer@dgs.ca.gov)

## PROJECT WEBSITE

Page: [Executive Order N-06-19 Affordable Housing](#)

URL: <https://www.dgs.ca.gov/RES/Projects/Page-Content/Projects-List-Folder/Executive-Order-N-06-19-Affordable-Housing-Development>

## RFQ SCHEDULE

The following timeline is provided for the Respondent's scheduling information but is subject to change at the State's discretion.

Activity	Date
Request for Developer Qualifications Released	October 19, 2020
RFQ Final Questions and Requests for Clarification Due	October 26, 2020
State Response to RFQ Questions/Clarifications	November 2, 2020
<b>RFQ Submittal Deadline</b>	November 20, 2020 by 5:00PM

## DISCLAIMER

The State obtained the information contained in this RFQ from sources deemed reliable; however, the State makes no guarantees, warranties, or representations, nor expresses or implies any opinion concerning the accuracy or completeness of the information provided. It is furnished solely as an aid to Interested Parties. Interested Parties are responsible for undertaking all necessary investigation on and off the State Property to determine the suitability of the State Property for Interested Party's intended use.

## INTRODUCTION

Executive Order N-06-19 (EO) (see Exhibit 1) was signed by Governor Gavin Newsom on January 15, 2019 to address the housing affordability crisis that is facing the State of California. Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD), (the “State”), to identify and prioritize excess state-owned property and aggressively pursue the goals of affordable, sustainable, innovative, feasible, and cost-effective housing projects.

The State is pleased to issue this Request for Qualifications (RFQ) for respondents capable of developing affordable housing on an excess state-owned property located in the City of Placerville, California that will be consistent with and help fulfill state, regional, and local goals, including affordability and feasibility. Projects must include a minimum of 50 percent restricted affordable housing units, consistent with Government Code section 14671.2 (see Exhibit 2).

It is the intention of the State to collaborate with the City of Placerville in its selection of a development team and creation of a development program.

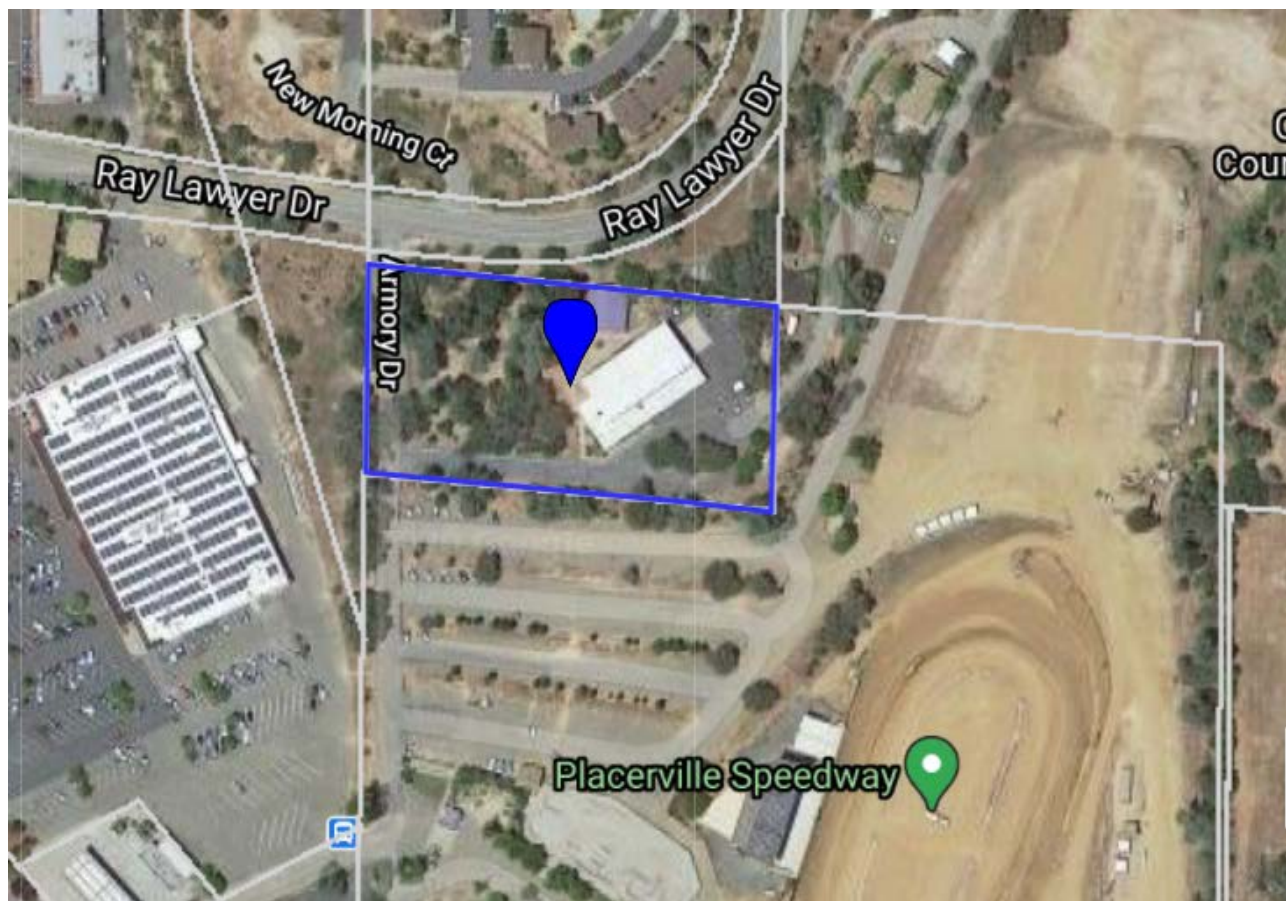
The State expects to evaluate the responding Statements of Qualifications (SOQ) and then issue a Request for Proposals (RFP). Selected respondents of this RFQ will be invited to respond to the RFP. At the conclusion of the RFP process, the State intends to enter into a Letter of Intent (LOI) with the Respondent whose qualifications and development proposal the State deems best suited to achieve the objectives described in the RFQ and RFP. Successful completion of negotiations will lead to the execution of a low-cost, long-term ground lease and regulatory agreement with a maximum term of 99 years.

## LOCATION & DESCRIPTION

The excess property (the “Site”) is located on the south side of Ray Lawyer Dr. East of Armory Drive, with the physical address of 212 Armory Drive, Placerville, CA 95667 (APN #: 325-280-003-000). The Site can be further identified by El Dorado County Assessor’s Parcel Number 325-280-003. The property is under the ownership of the State of California.

The Site is improved with a 60 Person Armory and a small office building, asphalt paving, fencing and other minor improvements. The gross building area is 12,542± square feet. Based upon the legal description, the total land area is 2.5875± acres. The current zoning of the Site is Commercial, but the City intends to amend their General Plan to allow by-right multifamily residential housing in early 2021. The Site is steeply sloped and heavily wooded.

The Site is adjacent to a grocery store, restaurants, high density multifamily apartments, fairgrounds, and additional amenities, including access to public transportation.







## DEVELOPMENT PRINCIPLES AND PARAMETERS

The lack of affordable housing across California is a matter of vital statewide importance and the State is working to expand housing opportunities through a new level of innovation and cooperation between the public and private sectors. To help solve the affordable housing crisis, the State is seeking knowledgeable, financially sound, and experienced providers of affordable housing.

The State is seeking SOQs from Respondents who can support meeting the goals of the EO, including the provision of housing affordable to lower income households, and will creatively adhere to the following principles. These are not requirements but are intended to make the State's desired expectations clear and guide the project from solicitation through construction.

- **Affordability:** Maximize the affordability on site, including depth of affordability as well as percentage of units that are affordable (accounting for size differences between units with different bedroom counts);
- **Innovative Housing and Construction Types:** Catalyze and incubate innovative models for construction (such as modular or prefabrication), financing, and workforce development—recognizing that design and construction quality should not be comprised. Innovative Housing and Construction is desirable, but *not* a strict requirement;
- **Efficiency:** Identify a strategy for delivering on the timing goals for the EO (i.e., feasibility of breaking ground within two years of entering the lease and regulatory agreement and completing units within three years) and employing several time saving measures. Efficiency of delivery also recognizes that deeper affordability may need multiple funding sources which are available through different and competitive funding cycles and Notices of Funding Availability (NOFAs);
- **Accessibility:** As part of providing for accessible housing for all Californians, Respondents are encouraged to incorporate cost-effective design approaches consistent with universal design principles and/or related local ordinances;
- **Sustainability:** Reflect the state's emphasis on sustainable construction, including the use of recycled products, commitments to low energy use, building electrification, and/or the use of renewable construction materials, such as mass timber as recognized through approved guidelines by the California Building Officials (CALBO) and the California Building Standards Commission;
- **Development Costs:** Pursue cost reducing measures such as impact fee

program waivers or reductions, innovative housing types (e.g., modular), and other measures while maintaining a high-quality design that complements the neighborhood;

- ***Outreach:*** Facilitate meaningful public participation consistent with the Ralph M. Brown Act, if applicable, and other strategies to engage the community throughout the development process;
- ***Partnership and Collaboration:*** Seek creative partnerships with the City and stakeholders, including special consideration of the City's housing and community and economic development goals and existing resources and opportunities such as the availability of services, transportation, and amenities and planned city-sponsored improvements; and
- ***State Planning Priorities:*** Maximize land resources and efficient land use patterns by developing as densely as feasible.

## THE IDEAL RESPONSE TO THIS RFQ

The State seeks responses that:

- Are clear, concise, and to-the-point. Respondents are requested to avoid inclusion of extraneous marketing materials, overly detailed specifications, and other materials that increase the size of the submittal without providing meaningful additional information about Respondent's vision and implementation of the Project objectives.
- Articulate a clear understanding of the State's objectives for the EO and regional and local objectives for the development of the Site.
- Illustrate the successful track record of the Respondent team (i.e., including the development company and its proposed project manager and any proposed contractors and partners) in financing, developing, managing, and maintaining projects like the one described in this RFQ.

## EVALUATION CRITERIA FOR THIS RFQ

An evaluation panel will identify the most qualified responses to this RFQ.

The State will invite selected Respondent teams to the RFP stage based on the following:

- Respondent Team experience in planning, financing, developing, managing, and maintaining similar development projects, including experience

developing affordable housing in California.

- Conceptual development plan (no architectural work required, but the team's ability to hire an architect is important) and the ability of that plan to meet the EO's and State's objectives as described in this RFQ.
- Financial capacity and financial strength of Respondent Team to complete the Project.

## **SUBMISSION REQUIREMENTS FOR THIS RFQ**

No later than 5:00PM Pacific Time on Friday, November 20, 2020, the State must receive from Respondents their response to this RFQ. Respondents may submit their response to the State by submitting their SOQs via email to [joshua.palmer@dgs.ca.gov](mailto:joshua.palmer@dgs.ca.gov).

It is the Respondents sole responsibility to ensure that the SOQ response is timely received by the State. All emails sent by a Respondent will be time-stamped based on the time of receipt of such email.

Submissions must include the following elements and be limited to 30 pages or less:

### **1. RESPONDENT TEAM INTRODUCTION**

- Provide an introduction to the Respondent team that clearly identifies: the team's form of organization (LLC, partnership, etc.) and business headquarters; all equity partners or participants; and any involvement in the control over the Developer entity by such parties and any non-equity members. The complete Respondent team should be established as an integrated group prior to submitting the SOQ.
- If there is more than one proposed developer entity, identify the nature of the affiliation between the proposed developer entities, including roles and responsibilities and summary points on any agreements between the parties in pursuing the Project.
- Identify the Respondent team principals and those authorized to execute and bind the team to an agreement. Include the name and/or title of the person who will be authorized to execute the LOI, ground lease, and regulatory agreement between the Respondent and the State. Include a brief biography for each member of the Respondent team.



- Describe the four most recent and/or relevant development projects undertaken by Respondent team to date, with information that includes the project name, project location, year developed, project value at completion, development program, formal claims and disputes between project owner and Respondent, and other relevant information such as whether any project was developed pursuant to a ground lease. If Respondent is a group of developers, the history and qualifications of each should be provided. *Optional: Highlight developer qualifications that are adherent to the Low-Income Housing Tax Credit program or other state or federal funding programs, experience in the locality in which in the site is located, and/or experience with ground leases.*
- Provide three project references that the State can contact. The project references should be for projects that are similar to the proposed Project (preferably pursuant to a public-private agreement). Project references should be able to confirm the Respondent's claims of past success in the entitlement and discretionary approval process, participation in public-private joint development partnerships, financing of affordable housing projects, community engagement, use of innovative design or modular construction, and continued management of developments.

## **2. CONCEPTUAL PLAN**

- Provide a description of the conceptual uses and site program you envision for each project site Respondent team is interested in pursuing and any characteristics that you envision such as unique design features, sustainable materials, innovative housing types, onsite or offsite improvements, etc.

## **3. DEMONSTRATION OF FINANCIAL CAPACITY**

- Provide a statement describing the Respondent's experience and track record in securing funding for affordable projects.
- Provide portfolios of similar projects that are now complete and stabilized, including projects with similar financing requirements that were completed within the past three years to illustrate Respondent's ability to obtain equity and debt financing for the Project.
- Describe the proposed approach to obtaining financing for the Project, including any preliminary lender feedback or interest in projects of this type.

## **4. REPRESENTATIONS**

In their SOQs, Respondents must identify all of the following, as applicable, if any of

them occurred within five years of the submission of the SOQ or RFP: defaults, any judgments, court orders, pending litigation, contractual disputes, violation notices, or other matters reflecting a violation of applicable regulations related to the operations or projects undertaken by the Developer entity or any of its individual members or affiliates exercising direct or indirect control over the development entity, including all key persons on the Respondent team.

Respondents must certify the completeness of the information provided in their SOQ submittal. The omission of information that the State deems material (determined in its sole discretion) will result in the submittal being deemed non-responsive. The State will determine, in the State's sole discretion, whether to further review or evaluate SOQs that it deems non-responsive.

## EXHIBIT LIST

EXHIBIT 1. EO N-06-19

EXHIBIT 2. Government Code section 14671.2



## EXHIBIT 1 - EO N-06-19

(Cover Sheet)

# EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

## EXECUTIVE ORDER N-06-19

**WHEREAS** California is experiencing an acute affordable housing crisis that stifles economic growth, contributes to the homelessness epidemic, consumes an ever-growing share of the paychecks of working families, and holds millions of households back from realizing the California Dream; and

**WHEREAS** nearly 50 percent of California's households cannot afford the cost of housing in their local market; and

**WHEREAS** for decades, California has failed to build enough homes for its growing population at all income levels, ranking 49th in the country in housing production per capita in 2016; and

**WHEREAS** restrictive zoning and land-use policies at the local level are a major cause of the shortfall between California's housing needs and the available supply of housing; and

**WHEREAS** when communities do not build their fair share of housing, the surrounding region must absorb new residents who, as a consequence of a lack of access to affordable housing, suffer from higher rents and longer commutes; and

**WHEREAS** the high cost of land also significantly limits the development of affordable housing in areas with the greatest demand for new housing; and

**WHEREAS** state agencies own thousands of parcels of land throughout the state, some of which exceed those agencies' foreseeable needs; and

**WHEREAS** excess state land is often located in or near urban areas where the need for new housing is acute; and

**WHEREAS** the lack of affordable housing across California is a matter of vital statewide importance; and

**WHEREAS** expanding housing opportunities and solving the affordable housing crisis will require a new level of innovation and cooperation between the public and private sectors; and

**WHEREAS** fostering housing innovation will catalyze new construction industries and spur job growth in the state; and

**WHEREAS** local zoning ordinances do not govern the use of state property, and the State possesses legal authority to enter into low-cost, long-term leasing agreements with housing developers and accelerate housing development on state-owned land as a public use.

**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately:



**IT IS HEREBY ORDERED THAT:**

1. The Department of General Services shall create a digitized inventory of all state-owned parcels that are in excess of state agencies' foreseeable needs by, among other things, conducting a comprehensive survey of all state-owned land. This inventory shall be completed by no later than April 30, 2019. To meet this deadline, all agencies under my direct executive authority shall support this effort by responding to all inquiries made by the Department of General Services.
2. The Department of General Services, the Department of Housing and Community Development, and the Housing Finance Agency shall collaborate to develop two new screening tools for prioritizing affordable housing development on excess state land. The tools shall be designed to identify and evaluate parcels of excess state land:
  - a. Where housing development is most likely to be economically feasible, accounting for, among other factors, a parcel's size, shape, grading, adjacencies, potential for consolidation, lack of site constraints, and proximity to job centers, education, high-frequency public transportation networks, utilities, and other services and amenities; and
  - b. Where underproduction is impacting housing affordability, accounting for, among other factors, availability of affordable housing in the job and commute sheds, the gap between supply and demand, and the rate of increase in rent.

Both tools shall be developed by no later than March 29, 2019.

3. The Department of General Services, in consultation with the Department of Housing and Community Development, shall apply the new screening tools to the State's inventory of excess state real property. The Department of General Services shall generate a comprehensive map of excess state real estate parcels where development of affordable housing (a) is feasible and (b) will help address regional underproduction. The map shall overlay a graphical representation (*i.e.*, a heat map) of where affordable housing development is most feasible and impactful. By April 30, 2019, the Department shall provide an interim progress report.
4. Where appropriate, state agencies shall consider exchanging excess state land with local governments for other parcels for purposes of affordable housing development and preservation. Parcels shall be exchanged with the goal of maximizing regional capacity to build and preserve affordable housing units.
5. The Department of General Services, in consultation with the Department of Housing and Community Development, shall issue Requests for Proposals on individual parcels and accept proposals from developers of affordable housing interested in entering into low-cost, long-term ground leases of parcels on the priority map.

- a. Requests for Proposals shall address, among other considerations: the number of housing units to be built and preserved; maximization of land resources and level of affordability; feasibility of breaking ground within two years of entering the lease and completing units within three years; the individual cost per unit of construction; the use of renewable construction materials, such as cross-laminated timber; and the developer's demonstrated capacity to complete affordable housing projects.
  - b. Selection of projects shall catalyze and incubate innovative models for construction (such as modular or prefabrication), financing, and workforce development.
  - c. Bidding requirements shall include commitments to pay prevailing wages as required under the law.
6. The Department of General Services, in consultation with the Department of Housing and Community Development, shall begin to implement the above selection process no later than September 30, 2019.
7. The Department of General Services, the Department of Housing and Community Development, and other state agencies and departments shall use all existing legal and financial authority to expedite and prioritize these developments, including by giving them preference in the award of state funding, pursuant to my further direction. Agencies not under my direct executive authority are requested to do the same.

**IT IS FURTHER ORDERED** that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

IN WITNESS WHEREOF I have  
hereunto set my hand and caused  
the Great Seal of the State of  
California to be fixed this 15th  
day of January 2019.



GAVIN NEWSOM  
Governor of California

ATTEST:

\_\_\_\_\_  
ALEX PADILLA  
Secretary of State

## EXHIBIT 2. - Government Code section 14671.2

### GC 14671.2.

Notwithstanding Section 14670, the Director of General Services, with the consent of the state agency concerned and the approval of the governing body of any concerned local agency, may let for any period of time any real property or interest in real property which belongs to the state, when the director deems the letting serves a beneficial public purpose limited to the development of housing, including emergency shelters, or park and recreation facilities. The leases shall be let in accordance with procedures prescribed by the director which facilitate development of housing or park and recreation facilities when such use is compatible with current use and foreseeable future use of the property. All proposed leases shall be reviewed by the State Public Works Board. In all cases, however, at least 25 percent of the housing units developed on state property leased pursuant to this section shall be available for the term of the lease to moderate-income persons as defined by Section 50093 of the Health and Safety Code, 12.5 percent shall be available for the term of the lease to low-income persons as defined by Section 50093 of the Health and Safety Code, and 12.5 percent shall be available for the term of the lease to very low-income persons as defined by Section 50105 of the Health and Safety Code.

In letting leases pursuant to this section, the director shall: (1) give preference to projects which provide for more affordable units than required by the percentages specified in this section; (2) determine that the project is compatible with local planning goals and environmental objectives.

The director may enter into leases pursuant to this section at less than market value, provided that the cost of administering the lease is recovered. The Department of Housing and Community Development shall recommend to the Director of General Services a lease amount which will enable the provision of housing for persons of low and moderate income.

All leases executed pursuant to this section shall contain a recital that the director has found the letting serves the required beneficial public purpose and complies with all provisions of this section, which recital shall be conclusive in favor of lessees from the state and their mortgagees.

*(Amended by Stats. 1985, Ch. 1490, Sec. 1.)*