

REQUEST FOR PROPOSALS



AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITY SITE – 2800 BARRY STREET

City of Camarillo
601 Carmen Drive
Camarillo, CA 93010

November 15, 2018



AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITY SITE – 2800 BARRY STREET

INTRODUCTION

The City of Camarillo (“City”) is inviting Proposals from developers or developer teams (“Developer”) for the development of new affordable housing on a 2.52-acre site located at 2800 Barry Street in Camarillo. The City owns the site (“Site”), formerly occupied by Stock Building Supply (Ventura County Assessor’s Parcel Number 162-0-023-030).

Location Map



DEADLINE TO SUBMIT PROPOSALS:

PROPOSALS (10 COPIES) ARE DUE MONDAY, JANUARY 14, 2019 AT 5:00 P.M.

ALL PROPOSALS MUST BE ADDRESSED TO:

Joseph R. Vacca, Director
Director of Community Development
City of Camarillo
601 Carmen Drive
Camarillo, CA 93010

QUESTIONS

Questions regarding this RFP must be directed to:

Jaclyn Lee, Principal Planner
Phone: 805.383.5616
Email: jlee@cityofcamarillo.org

PROJECT REQUIREMENTS

The project must meet the minimum requirements as follows:

- **Housing Affordability** – The City anticipates development of up to 75 residential units, providing an affordability mix of 50% low income units and 50% very low income units with a 20% carve-out for targeted housing (e.g. Veteran’s preference, physical disability, developmentally disabled, and emancipated foster youth). If the funding for the project as outlined in the pro forma would require a different affordability mix, the Developer must include in their proposal, an explanation of the type of funding that would be applied for and the affordability requirements of the program. The project is to provide a variety in unit mix and bedroom count.

Proposals are to include rental units and an ownership component, specifying the details of the type and affordability of those units. However, if for-sale units cannot be accommodated, the developer must provide an explanation why it is not included, and must be justified in the pro forma.

Units will be subject to a recorded affordable housing regulatory agreement that will limit occupancy to income-eligible households for a period of at least 55 years. Preference will be given to applicants that live and/or work in Camarillo. All units in the project will be required to be sold or rented in accordance with California Health & Safety Code Sections 50052.5 and 50053.

- **Project Entitlements** – The Developer must secure the following City approvals including, but not limited to:
 - General Plan Amendment Referral. The developer must submit a request in accordance with City Council Policy 7.01 for considering proposed amendments to the Camarillo General Plan.
 - General Plan Amendment to re-designate the Site from Industrial/Commercial to High-Density Residential (30 dwelling units per acre maximum)
 - Change of Zone from Light Manufacturing (M-1) to Residential Planned Development, 30 dwelling units per acre maximum (RPD-30U)
 - Residential Planned Development Permit
 - Exclusive Negotiation Agreement (ENA) and secure all entitlements needed for the development of the project during the ENA process
 - Agreement for the Sale and Development of Real Property
 - Affordable Housing Regulatory Agreement
 - Adoption/certification of environmental document
- **General Plan Consistency** – The Community Design Element of the General Plan identifies the project site as being within the Heritage Zone of the city. Projects within the Heritage Zone are to provide an architectural style to include the following: Mission, Monterey, Early California, Spanish, Mediterranean or modern interpretations of these styles. The configuration of the building must provide for a variety of architectural features and take into account massing, height, and scale in order to achieve compatibility with adjacent properties.

- **Compliance with Camarillo Municipal Code (CMC) including Off-Street Parking Ordinance** – The project must comply with all applicable development standards and must meet the minimum requirements for off-street parking as specified under CMC section 19.44.030 for market-rate rental and/or for-sale units. No concessions or waivers to reduce the parking requirement will be considered.
- **Public Art Component** – The development must include a public art component that will be clearly visible from Lewis Road to the community and will be subject to the review and approval by the City Council.

PREFERRED QUALIFICATIONS

The City is interested in working with a Developer experienced in the construction of affordable housing and infill development. The Developer must also be versed in the development and management of affordable housing, as the housing developed on the Site will be subject to affordability restrictions in accordance with the requirements of the California Health and Safety Code.

BACKGROUND

Located in the heart of Ventura County, Camarillo is 15 minutes from the Pacific Ocean and one hour from downtown Los Angeles. The Site is centrally located in Camarillo, west of the Metrolink Station across Lewis Road and within close proximity to shopping, grocery stores, and Camarillo Old Town, which provides a wide variety of restaurants and entertainment options.

The Site was formerly utilized as a lumber supply yard for many years. On June 27, 2018, the Camarillo City Council authorized the purchase of the property from BMC Stock Holdings, Inc. for a purchase price of \$3.6 million using Housing Tax Exempt Bond proceeds. Escrow closed on September 4, 2018, following the receipt of a “No further action” letter from the County of Ventura Environmental Health Division (“EHD”). A copy of the letter from EHD is attached.

The City will be demolishing the existing, vacant structures to the slabs to remove the attractive nuisance. Although not anticipated to have historic significance, a historical resource evaluation will be completed by Rincon to determine if the proposed demolition has potential to impact historical resources as defined by the California Environmental Quality Act (CEQA). Demolition of the structures, including asbestos and lead based paint abatement is anticipated to be completed first quarter 2019. In order to accomplish the demolition, including historical evaluation and asbestos and lead based paint abatement, the City will be spending approximately \$225,000 using Housing Tax Exempt Bond proceeds.

It is estimated that the City will spend a total of approximately \$4 million for the acquisition, remediation, demolition, and legal costs to be able to deliver a Site for residential development to the selected developer/development team.

MATERIALS TO SUBMIT

By not later than the deadline specified above, prospective developers must submit to the City a minimum of ten (10) copies of a proposal responsive to this Request for Proposals. The proposal must be signed by an authorized officer or representative of the developer’s firm. The City reserves the right to reject any and all proposals.

All submittals shall include the development concept, developer identification, developer and architect experience and qualifications, proposed financial structure for the project, financial capacity of developer, analysis of the financial feasibility of the proposed development and business terms as described below.

1. DEVELOPMENT CONCEPT

Proposals must include all of the following information:

- a. Description in a narrative one-page format the development concept that is envisioned.
- b. Identify the affordability levels for the units, including number of units in each income category, size of units, number of bedrooms for each unit type, and breakdown of unit types for each income category. Describe how the project complies with the affordability requirements for the funding that will be used. The project is required to provide a variety in unit mix and number of bedrooms. Preference will be required to be given to applicants that live and/or work in Camarillo.
- c. An ownership component, specifying the number of units, affordability, size, and number of bedrooms of those units. However, if for-sale units cannot be accommodated, the developer must provide an explanation why it is not included and justified in the pro forma.
- d. Identify if the project includes a carve out for a specific housing need. Indicate the number of units, affordability level, and tenant qualification requirements.
- e. Identify your firm's vision for this development and how it would fit into your firm's overall business strategy. Submittals should illustrate the firm's understanding of Camarillo the Site.
- f. Discuss how green building and sustainability features will be incorporated into the design of the proposed project in excess of Title 24 requirements.
- g. Discuss any support services to the particular housing needs of residents if necessary for funding program requirements and/or desired. If applicants intend to partner with service organizations or non-profits, proposals should detail the structure of that partnership.
- h. A public art component must be included that will clearly be visible from Lewis Road to the community and will be subject to the review and approval by the City Council.

2. DEVELOPER IDENTIFICATION

Proposals must include the following information:

- a. The primary development entity's name, street address, mailing address, telephone number, facsimile number, and e-mail address. Specify the legal form of the organization (e.g. corporation, partnership, limited liability company, joint venture, other), and identify persons with the authority to represent and make legally binding commitments for the development entity.
- b. Narrative that details whether your firm develops, or develops and manages affordable housing complexes. Please describe the firm's specialization and past experience. If the firm intends to contract with a separate management company, provide information regarding the identity, qualifications and experience of such entity.

- c. Identify any relationship the development organization may have with a parent corporation, subsidiaries, joint ventures or other entities. If a joint venture is proposed, percentage of ownership of each entity shall be specified. Describe the financial, liability-related, and other decision-making relationships.
- d. Identify other members of the development team including architects, engineers, contractors, financial or equity partners, lenders, and any known participating developer entities. Provide resumes and include all relevant experience for each team member, a description of his or her previous projects, and their role in the cited projects. The minimum information to be included in the resumes shall include the person's education, showing related certificates, degrees, schools and dates; work experience, showing previous employers, job titles and functions; and other information as relevant to the specific assignment.
- e. Contact information for the Project Manager and each Development Team member for his/her firm.
- f. Descriptions and illustrations of the proposed architect's or architects' work on development projects that have been built or are under construction. These projects shall be of a similar magnitude to the proposed development of the Site and shall include either the Developer's or the architect's experience in designing similar projects to the proposed project. If possible, include photographs of these projects. (Submit specific project information.)
- g. Identify legal counsel.

3. DEVELOPER EXPERIENCE AND QUALIFICATIONS

The Developer's ability to see a project through from concept to fruition is especially important to the City. Strong weight in the evaluation process will be given to a Developer that has experience and a proven track record in each of the following areas listed below. Proposals must include the following information:

- a. A list of current projects in the Developer's pipeline, including predevelopment, construction, and lease-up activities underway. This list should include the location, project type, size and total development cost for each project.
- b. Provide a list and description of at least three previously completed projects similar to that proposed and their respective locations. Describe the relationships to these projects (i.e., developed, owned, operated and/or managed) and provide a general description of each project, including any unique challenges. These projects shall be of a similar magnitude to the development proposed on the Site. Identify the total project costs, land uses, length of time to complete, and actual completion dates. Describe how these projects were financed.
- c. Description of other affordable housing projects developed, owned and managed, including success in obtaining funding such as Low Income Housing Tax Credits, tax-exempt bond financing, and funding from the State Department of Housing and Community Development.
- d. Description of public-private partnerships in which the Developer has participated, preferably projects of similar type and magnitude as the proposed development.
- e. For each project or relevant experience, a name and phone number of a contact person familiar with the project who can act as a reference.

4. ARCHITECT EXPERIENCE AND QUALIFICATIONS

Proposals must include the following information:

- a. List, description, and photos of at least three previously completed projects similar to that proposed and their respective locations. These projects are to be of a similar magnitude to the development proposed on the Site.

5. FINANCIAL STRUCTURE

Proposals must include the following information:

- a. Description of the preferred method(s) for structuring the financial and ownership arrangement of the Site between the Developer and the City, including proposed terms for the purchase of the Site.
- b. Description of any relevant experience negotiating previous public/private partnerships.
- c. Description of the proposed ownership entity for the project, including an organizational chart and percentages of ownership of each entity involved.
- d. Description of the estimated amount, structure, timing and payback of any financial contribution from the City.
- e. Description of proposed tax credit structure (4% vs 9%) and estimated number of rounds, if any, requested to apply for the 9% tax credits.
- f. List of all other funding sources that will be used to finance the project.

6. FINANCIAL CAPACITY OF DEVELOPER

Proposals must demonstrate that the Developer has the financial capacity and willingness to carry out the proposed project and to initiate development within 12 months of execution of the Agreement for the Sale and Development of Real Property. An extension to the timetable as outlined in the schedule of performance may be considered and will be subject to City approval. Proposals must include the following information:

- a. The Developer's capacity to secure all equity contributions and debt financing required to construct and operate the development.
- b. The Developer's current financial statement including the following: 1) balance sheet, 2) income statement, and 3) cash flow statement.
- c. Potential financial resources related to underwriting the cost of development and operating a range of affordable housing including units in the extremely low, very low, and low income categories.
- d. Statement detailing whether the development entity, or any of the named individuals on the development team, have ever filed for bankruptcy or have had projects that have been foreclosed. If yes, please list the dates and circumstances.

The City recognizes the sensitive nature of the financial information requested in this RFP. Therefore, such information may be submitted under separate cover and labeled "Confidential." This information will be used solely for purposes of evaluation and will be kept confidential to the fullest extent allowed by law. Confidential records may be returned to those not selected if so requested.

7. FINANCIAL FEASIBILITY OF PROPOSED PROJECT

Proposals must include the following:

- a. Identification of sources and uses of funds for each phase of the development.
- b. Project development budget (total development cost). The development pro forma may include the payment of prevailing wages for project construction.
- c. Project operating pro forma, including 20-year cash flow analyses with clear explanations of all assumptions. The operating pro forma must demonstrate the economic feasibility of the project at the rent and/or purchase price, and affordability levels specified in the Project Requirements section.
- d. Market data that demonstrates demand for the proposed project elements and the feasibility of projected revenue streams.

8. BUSINESS TERMS

Proposals must include the following:

- a. Proposed deal structure: Indicate division of responsibilities for the project's successful completion.
- b. Initial conditions: Indicate any initial conditions or requirements that are needed to be granted by a government entity, including the City of Camarillo. These initial conditions include, but are not limited to, financial assistance, monetary contributions or land write down, tax credit programs, technical assistance, design modifications or special entitlement processing, density bonus and other incentives, and any similar contingency which could require additional City time and resources to complete the project. No concessions or waivers to reduce the parking requirement below CMC section 19.44.030 requirements will be considered.
- c. Project Time Schedule: A schedule of performance outlining the estimated time for each step and phase (if appropriate), including a summary "time line" or other similar graphic representation of the development process. The schedule should recognize the time involved in finalizing development agreements, formulation of development plans, community outreach, receiving project entitlements, development of construction documents, City reviews, financing the project, commencing and completing construction, lease negotiations, marketing, and final occupancy.

SELECTION CRITERIA

Factors to be considered in the selection process include:

- The completeness of the submittal in response to the requirements of this RFP.
- Relevant experience of the development entity in producing similar affordable housing projects.
- Outline of plans for extensive public outreach process.
- Demonstrated success with public/private partnerships and community participation.
- Completeness of proposed financial structure and project cost estimate identified in the preliminary development pro forma.

- Willingness to negotiate the financial level or structure of City participation. Demonstrated access to equity and financing to underwrite construction.
- Understanding of Camarillo and the importance of a high quality project at the Site.
- Demonstrated ability to initiate site and development programming activities upon signing an ENA, and commitment to initiating construction within 12 months after executing an Agreement for the Sale and Development of Real Property. An extension to the timetable as outlined in the schedule of performance may be considered and will be subject to City approval.
- The housing unit affordability and carve out for specific housing needs.
- The inclusion of a for-sale affordable housing component.
- Demonstrated ability to provide funding, including current relationships with major lenders and various financial institutions and past funding experiences.
- Demonstration of architectural design experience on projects similar in quality, scale, and use to the proposed project.
- Proposed public art component.
- Compliance with minimum requirements for off-street parking as specified under CMC section 19.44.030 for market-rate rental and/or for-sale units. No parking is permitted on Lewis Road and no on-street parking will be considered. All parking for the development must be located on-site within the project and compatible with surrounding properties. Proposals are to include how parking has been addressed in similar projects where parking is impacted.
- Explanation of how the Developer will address accessibility for disabled residents and how this has been accomplished on other similar projects.

SELECTION PROCESS

All responses to this RFP will be reviewed and evaluated based on the information contained in the respective responses, an investigation of the developer’s past projects and performance, and other pertinent factors. The City will prepare an analysis of all proposals depending upon the number and quality of responses. In addition, the City may also request to interview a limited number of finalists. The City reserves the right to request additional information as deemed necessary and appropriate.

The selection process is expected to take up to approximately five months as outlined below. Please note the schedule may be altered at the City’s discretion.

| Activity | Date |
|---------------------------|----------------------------------|
| RFP Issued | November 15, 2018 |
| PROPOSALS DUE | January 14, 2019, 5:00 PM |
| Review of Submittals | January 15 – February 14, 2019 |
| Interviews (potential) | February 25 – March 8, 2019 |
| Recommendation to Council | March 27, 2019 (tentative date) |

This solicitation does not commit the City to award a contract, to pay any cost incurred in connection with preparation of any proposal, or to procure or contract for services or supplies. 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, or cancel in whole or in part this process in its sole and absolute discretion. Subsequent to negotiations, prospective development entities may be required to submit revisions or supplements to their proposals. All persons or entities responding to the RFP should note that any contract proposed to be executed pursuant to this solicitation is dependent upon the recommendation of City staff and the approval of the City Council after all legally required steps are taken.

The City reserves the right to postpone selection for its own convenience, to withdraw this Request for Proposals at any time, and to reject any and all submittals without indicating any reason for such rejection. As a function of the Request for Proposals process, the City reserves the right to remedy any technical errors in this Request for Proposals and modify its published scope. The City reserves the right to request that specific personnel with specific expertise be added to the developer's team, if the City determines that specific expertise is lacking in the project team. Submittals and other information will not be returned with the exception of financial data if requested by the submitting entity.

The City reserves the right to abandon the Request for Proposals process and/or change its developer selection process 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 party submitting a response to this Request for Proposals for any costs or damage arising out of its response to the Request for Proposals or any cancellation or modification of this Request for Proposals.

The City intends to compile a shortlist of developers, conduct a series of interviews, and ultimately select a preferred Developer.

SCOPE OF WORK & DEVELOPER RESPONSIBILITIES

The successful Developer will enter into an Exclusive Negotiation Agreement (ENA) with the City to further refine the project scope, financial projections, costs, and deal structure and Term Sheet detailing the agreement points for the sale and development of the site. During the ENA process, the Developer is required to complete the CEQA environmental review and secure project entitlements. The selection of an environmental consultant and preparation of environmental documents will be managed by the City and paid by the Developer.

Upon approval of project entitlements it is the intent of the City to enter into an Agreement for the Sale and Development of Real Property, specifying the matters relating to the sale of the property based on the terms identified in the Term Sheet and the requirements of the parties upon the close of escrow for the sale of the property.

A general description of the developer's responsibilities includes, but is not limited to, the list below:

- *Define Project Financing.* The Developer will be expected to secure financing for the project's hard-costs and soft-costs including an updated analysis of residual land value to determine the Site purchase price to be included in an updated development pro forma. Once the final Site development concept has been accepted by the City and the developer/development team, the development entity will then prepare updated development and operating budget proposals. If the land will be conveyed at less than fair market value, or if any other City subsidy is provided, the budget

may need to incorporate prevailing wages for project construction. The developer/development team is expected to provide detailed project cost estimates and evidence of financing during the ENA phase.

- *Project Entitlements.* It will be the responsibility of the selected Developer to undertake and pay for all required entitlement fees for the proposed development that may include but are not limited to a General Plan Amendment, Change of Zone, Residential Planned Development, Conditional Use Permit, Tentative and Final Maps, preparation of CEQA documents, and any other necessary entitlements. The development must comply with the requirements of the current Los Angeles Regional Water Quality Control Board municipal separate storm sewer system (MS4) permit.
- *Caltrans Permits.* The Site is located adjacent to Lewis Road (State Route 34). The Developer will be responsible for any required improvements to Lewis Road and securing permits from Caltrans.
- *Utility Undergrounding.* The project will be required to underground the existing utility poles on Lewis Road in accordance with the requirements of CMC Chapter 13.08 – Underground Facilities.
- *Policy and Legal Compliance.* The Developer will be required to comply with all applicable provisions of State law and all City codes and regulations, and will be required to obtain all required permits, and pay all applicable fees related to development of the project.
- *Construct Development.* The development entity will construct the approved development. The construction schedule will depend, in part, on funding availability. The selected developer/development team will be required to comply with all Federal, State and local requirements, including applicable prevailing wage requirements.

CONCLUSION

The City of Camarillo welcomes submittals from interested and well qualified Developers and appreciates your interest in working with the City.

We appreciate your continued interest in this project and look forward to reviewing your proposal for this exciting project.

Attachment:

Letter of no further action from EHD