



**2160 41<sup>st</sup> Avenue  
Santa Cruz, California 95010**

**REQUEST FOR QUALIFICATIONS  
FOR  
CO-DEVELOPMENT PARTNERSHIPS**

**1. Introduction**

The Housing Authority of the County of Santa Cruz (**HACSC**) and its affiliate, New Horizons Affordable Housing and Development Inc. (**New Horizons**), a California nonprofit public benefit corporation, is inviting experienced real estate professionals and developers (**Developers**) to submit statements for co-development opportunities.

HACSC was established in 1969 by a resolution of the Santa Cruz County Board of Supervisors to locally administer federal rent subsidy programs authorized under the United States Housing Act of 1937. HACSC provides rental subsidies, manages, and operates affordable housing units, and develops affordable housing to assist low-income families, seniors, and persons with disabilities living in Santa Cruz County and the Cities of Hollister and San Juan Bautista.

HACSC currently assists over 5,600 low-income families. HACSC is a Moving to Work (**MTW**) agency, as designated by the Department of Housing and Urban Development (**HUD**), which provides HACSC with regulatory and funding flexibilities.

HACSC is committed to advancing access to affordable housing and a thriving community free from discrimination by providing affordable housing and delivering inclusive services to our diverse community with compassion and kindness. Our mission extends beyond shelter, utilizing housing as a catalyst to promote equity, economic mobility, dignity, stability, improved quality of life, and a place to call home.

New Horizons' purpose includes, but is not limited, to supporting HACSC with acquiring, providing, developing, financing, rehabilitating, owning, and operating affordable housing for low-income individuals. New Horizons actively manages approximately 240 affordable housing units in Santa Cruz County. New Horizons is committed to enhancing and preserving its existing affordable portfolio as well as expanding opportunities for high quality affordable housing for low-income residents of Santa Cruz County.

HACSC and New Horizons are hereinafter collectively referred to as HACSC.

For more information about the agency, please visit: [www.hacosantacruz.org](http://www.hacosantacruz.org).

Issued: August 6, 2024

## 2. Purpose

HACSC is issuing a Request for Qualifications (RFQ) for experienced Developers with extensive experience in real estate and housing development projects, to enter co-development partnership(s) with HACSC on projects which may include, but are not limited to, land acquisition, affordable housing, mixed-use, and adaptive reuse properties. This RFQ is primarily for the acquisition, financing and development of new affordable housing, however, proposals for rehabilitation of existing housing projects may be considered. All projects must have an affordable housing component to assist households with income levels at or below the low-income limit of 80% area median income and within the jurisdictions of HACSC which consist of the County of Santa Cruz and the Cities of Hollister and San Juan Bautista.

The selected Developer will provide the necessary skills and expertise to implement the development project and is expected to work closely with HACSC. The selected Developer will be required to execute a Joint Development Agreement to establish fees, project scope, terms, and other conditions for the project and partnership.

Responses to the RFQ must include a subject property or properties identified by the Developer and information on the type of co-development activity. Responses that omit this information will be considered incomplete and disqualified.

Below are examples of potential co-development activities:

1. Shared ownership of affordable housing
2. Co-development of affordable housing
3. Co-development of mixed-income housing
4. Parcel subdivision with co-development
5. Mixed-use with office component
6. Turnkey
7. Rehabilitation

HACSC will require Developers to comply with all applicable state, federal and local laws, rules, and regulations which includes HUD and MTW requirements.

The RFQ is open until closed and proposals will be reviewed on a rolling basis. The terms and conditions of the RFQ are subject to change, interested Developers should regularly check the RFQ posting at [www.hacosantacruz.org/general-information/vendors-contracts/](http://www.hacosantacruz.org/general-information/vendors-contracts/) for updates.

## 3. Reservation of Rights.

By submitting a proposal through this RFQ, the Developer accepts and acknowledges HACSC's reservation of rights.

HACSC reserves the right to all of the following:

- **Right to Terminate.** Terminate the RFQ process at any time and for any reason, without prior notice.
- **Right to Amend.** Amend the RFQ at any time and for any reason, without prior notice.

- **Right to Not Award.** Choose to not select any Developer for a contract award pursuant to this RFQ.
- **Right to Reject.** Reject any proposal for this RFQ that does not meet HACSC's standards for submissions, which may include but is not limited to, incomplete proposals, proposals that offer services not requested, or proposals that include inaccurate or fraudulent information.
- **Right to Negotiate.** Negotiate the fees requested/proposed by the Developer(s) prior to executing a Joint Development Agreement.
- **Right to Retain.** Reserves the right to retain all proposals submitted and not permit their withdrawal, unless authorized in writing by the HACSC Executive Director or Deputy Executive Director, for a period of ninety (90) days
- **No Obligation to Compensate.** HACSC has no obligation to compensate any Developer(s) for costs incurred while responding to this RFQ.
- **Right to Determine Time and Location.** HACSC may determine the days, hours, and locations that any successful Developer shall provide the services requested in this RFQ.
- **Right to Approve and Deny Actions.** HACSC may require approval for, and may deny, any action that any successful Developer take(s) in relation to services requested in this RFQ.

#### 4. Scope of Services and Developer Responsibilities.

The Developer will provide HACSC with the expertise to acquire, develop, re-develop, and preserve affordable housing or other mixed-use real estate developments within the County of Santa Cruz and the Cities of Hollister and San Juan Bautista. The Developer may provide these services through third-party providers, consultants and other vendors. The Developer will work with HACSC as a co-development partner as established under an executed Joint Development Agreement.

Developer responsibilities under this RFQ may include, but are not limited to, the following:

- **Site Planning and Control.** Locate acceptable properties for development activities, negotiate with property owners, and coordinate the purchase or lease of property.
- **Market Analysis and Appraisals.** Develop and/or procure and review detailed market analyses and appraisals to determine the overall feasibility of conceptual plans.
- **Application Preparation.** Prepare applications for public and private financing and funding through other programs.
- **Conceptual Planning and Project Design.** Design projects and prepare building plans, specifications, and other construction documents, and/or facilitate the preparation these documents with third parties.
- **Cost Analysis and Preliminary Planning.** Prepare cost analyses to estimate project costs and develop project pro-formas. Developer will prepare preliminary development schedules and financial plans.
- **Consultation and Procurement.** Select architects, engineers, contractors, accountants, and other necessary and appropriate consultants, in accordance with the executed terms of the Joint Development Agreement.
- **Environmental Review.** Coordinate local, state, and federal environmental review processes with the appropriate entities and obtain the necessary environmental clearance under such laws.
- **Remediation.** Complete necessary abatement and remediation processes.

- **Entitlements.** Obtain all necessary entitlements and other permits from the local, state, or federal entities.
- **Financial Planning.** Secure sufficient public and private financing and funding for projects, which may include, but is not limited to, Low-Income Housing Tax Credit (LIHTC) reservations, private equity, tax-exempt bonds, conventional mortgages, government-insured mortgages, construction loans, bridge loans, and other government grants and loans.
- **Negotiation, Closing, and Assurances.** Negotiate financial arrangements with lenders and/or grantors to close loans and/or grants and ensure compliance with all requirements of the loans and/or grants. Developer will provide all necessary financial guarantees and assurances as required.
- **Syndication and Organization.** Coordinate the syndication process of LIHTCs to secure equity for the project, when applicable, and assist in the organization of the ownership entity.
- **Feasibility.** Structure funding and financing to ensure long-term viability of a project.
- **Financial Monitoring.** Maintain budgets and accounts in accordance with financing/funding that is anticipated and/or received.
- **Use of Funds.** Ensure that project funds are available at the appropriate times and utilized in the appropriate manner.
- **Construction Oversight and Project Management.** Provide oversight of construction activities, which may include, but is not limited to, preparing and monitoring construction and draw schedules, ensuring compliance with prevailing wage requirements, reviewing contractor requests for information, releasing funds, and reviewing change orders requests.
- **Communication.** Maintain regular communication with HACSC and provide updates at HACSC's request.
- **Quality Control.** Ensure that projects are developed to the highest reasonable standards and ensure effective performance by itself and all third parties.
- **Compliance with Law and Contracts.** Comply with all applicable local, state, and federal laws and any applicable implementing regulations. Developer will comply with the executed Joint Development Agreement, and all applicable contracts and agreements.
- **Timing, Accuracy, and Cost-Effectiveness.** Complete all tasks expeditiously and accurately. Developer will ensure that all tasks are completed cost-effectively.
- **Approvals.** Obtain all necessary and appropriate approvals from HACSC, HUD, and any other agency from which they may be required.
- **Additional Tasks.** Perform additional related tasks not explicitly identified in this RFQ.

## 5. Minimum Qualifications

Developers must meet the Minimum Qualifications to be considered. Proposals from Developers that are deemed to have not met the Minimum Qualifications will not be evaluated further.

Developers must:

- Have at least five (5) years of satisfactory real estate development experience
- Have completed at least five (5) LIHTC projects that are in service more than three years, one of which is in service at least five (5) years, and two (2) of which are through the California Tax Credit Allocation Committee (CTCAC)

- Developers may be an individual, business corporation, partnership, or joint venture that is authorized to do business in the State of California.
- Developers must not be disbarred, suspended, or otherwise lawfully prohibited from participating in any public procurement process. Such information must be disclosed.
- Developers must be financially solvent.

Responses in which the Developer proposes specialized services which include but are not limited to architects, engineers and general contracting, all applicable licenses and certificates must be made available prior to the negotiation of fees and terms of the Joint Development Agreement.

## **6. Proposed Fee**

No proposed fees to be submitted. Whereas this is an RFQ competitive solicitation process, there are no proposed fees to be submitted in response to this RFQ process. All fees will be negotiated by HACSC on proposals that meet the best interest of HACSC.

## **7. Submission Format**

Responses to this RFQ shall include all required attachments and any additional information that HACSC requests.

### **Exhibit A: Letter of Interest**

- Summarize the key information about the Developer and how it meets the Minimum Requirements
- Identification of the subject property for the co-development partnership: include property address, APNs, and description of current use
- Proposed co-development activity
- Indicate a contact person and their email and phone number
- The letter should be signed by an authorized representative of the Developer

### **Exhibit B: Project Summaries**

- Indicate the total number of real estate development projects that the Developer has completed in the past twenty (20) years and indicate the number of types of developments (commercial, market-rate residential, affordable residential, etc.) Include project size and year the project was completed
- Attach a list of three (3) to five (5) of the Developer's most recently completed projects
  - Provide the financing/funding sources, the value of each source, and indicate the timeline from conception to completion of each project
- Attach a list of projects currently under development and indicate type (commercial, market-rate residential, affordable residential, etc.)
  - Indicate the financing/funding sources used for each project, the value of each source, and indicate what stage the project is currently at in its development

### **Exhibit C: Developer Experience. (Limit to three pages)**

- **Assigned Staff.** Identify staff that would work with HACSC on future co-development projects and describe their real estate development experience. Identify their role on any of the projects listed in Exhibit B (be specific). For the other items in Exhibit C, identify the staff members' experience in that area.
- **Conceptual Planning.** Describe experience with site selection, project design work, preparation of construction documents, and other conceptual planning processes.
- **Site Control & Entitlements.** Describe experience with obtaining site control and entitlements in the past. Describe the steps that the Developer has taken to receive site control and entitlements quickly.
- **Financing/Funding.** Describe the various financing/funding/sources/approaches that the Developer has utilized in the past and how successful the Developer has been in closing such financing/funding in a timely manner. Describe experience with 4% and 9% LIHTCs (including syndication and organization), tax-exempt bonds, and HCD funding.
- **Construction & Project Management.** Describe experience in managing complex real estate development projects. Describe the actions taken to ensure that projects are compliant with contracts, completed on time, completed within budget, and developed at a high quality. Describe the construction and management methods that were used and approximately how many construction projects the team concurrently manages at any given time. Describe experience with prevailing wages requirements.
- **Local Partnerships.** Describe the relationship with local jurisdictions, non-profits, and neighborhood groups, and how the Developer has worked with such organizations to achieve locally determined goals.
- **Minority and Women-Owned Businesses and Section 3.** Describe experience with hiring minority and women-owned businesses and section 3-eligible workers.

### **Exhibit D: Financial Statement**

- Provide a current audited financial statement of the firm, prepared and signed by a certified public accountant. The statement should reveal income, expenses, assets, and liabilities for at least the past three (3) years.
- Developers that wish to keep this information confidential should provide this information in a separate email marked as "Confidential". The email and its contents should clearly indicate the Developer to whom it belongs and that it is in relation to a proposal for this RFQ. This information will be kept confidential. HACSC will apply with all state, federal and other applicable laws in maintaining these records and documents, and HACSC may release these documents and records as part of a public information request, audit, or other official review.

### **Exhibit E: HACSC as a Co-Development Partner**

- Describe the vision for utilizing HACSC as a co-development partner in relation to the subject property and proposed development activity. Provide specifics on how the partnership can achieve the mutual goals of increasing the supply of affordable housing in the County of Santa Cruz.

## 8. Evaluation Criteria

Proposals will be evaluated by a panel of HACSC staff and may include other individuals as appropriate. RFQ response must receive a minimum of 80 points for HACSC to engage with the Developer on negotiations of a fee proposal and the terms of a Joint Development Agreement.

Criteria	Maximum Points
<b>Development Partnership</b> Developer demonstrates a vision for co-development partnership that aligns with HACSC's mission, development goals and the long-term viability of projects.	25
<b>Developer Experience</b> Developer demonstrates significant experience in various real estate development processes and demonstrates the capability to complete the requested services accurately, on time, within budget, and to the highest possible quality.	30
<b>Ownership Structure</b> Developer's proposed ownership structure of the real property provides the most benefit to HACSC which may include acquisition cost, HACSC's role as General Partner on LIHTC applications and awards, income from development and occupancy.	25
<b>Developer Risk</b> The Developer is financially solvent and has a low-level of risk to HACSC (financial or other)	20

## 9. Submission Process.

All proposals submitted in response to this RFQ shall be submitted in accordance with the direction provided so that HACSC can properly evaluate the response. Failure to adhere to this process and these conditions may result in HACSC's rejection of the proposal.

- **Electronic Submission.** Proposals shall be submitted to Tom Graham, Deputy Executive Director, by email at: [tomg@hacosantacruz.org](mailto:tomg@hacosantacruz.org). **The email subject line should state: Co-Development RFQ.** Submission of a proposal does not constitute a contract, nor does it confer any rights to the award of a contract.
- **Modification.** Developers shall not add or revise any documents submitted for this RFQ without written consent from designated HACSC staff.
- **Contact with HACSC.** Developers shall address all communication and correspondence in relation to this RFQ to the designated HACSC staff.
- **Requests by HACSC.** HACSC may contact Developers with questions or request additional information. Developers must respond to HACSC staff timely and accurately.
- **Notice of Intent to Negotiate.** HACSC will provide a notice of intent to negotiate with Developers that are in the best interest of HACSC. A notice of intent to negotiate does not constitute a contract.
- **Designated Staff.** The designated HACSC staff and contact person for this RFQ is, Tom Graham, Deputy Executive Director, [tomg@hacosantacruz.org](mailto:tomg@hacosantacruz.org)