



**CITY OF
WALNUT
CREEK**

Affordable Housing Subsidy Request for Proposals

City of Walnut Creek Housing Division
November, 2024

1. INTRODUCTION

The City of Walnut Creek (“City”) is seeking proposals through this Request for Proposals (RFP) from qualified developers (“Respondents”) for the creation of affordable housing projects within Walnut Creek city limits. Through this RFP, the City will offer financial support from City dedicated affordable housing funds to construct additional affordable housing units in the city, particularly for low, very low, and extremely low-income households. The City’s goal is to address the growing demand for affordable housing through innovative, sustainable, and community-focused projects.

2. PROJECT SCOPE

Priority will be given to development of affordable housing projects that:

- Serve residents at the lowest income levels (extremely low and very low income)¹
- Include a mix of unit types that meet local housing demand
- Incorporate rapid rehousing principles and processes
- Serve residents with special needs
- Integrate sustainable, energy-efficient, and accessible design elements
- Are ready for immediate development (shovel-ready projects)

ELIGIBLE USES

- Site acquisition, and related costs such as appraisals, financing costs, and transaction costs
- Predevelopment, including architectural and engineering design, permits and fees
- Rehabilitation and new construction costs
- Site development
- Off-site development only when necessary to assure utility service to the project site
- Mixed-income projects, with City dollars assisting only extremely low, very low and low-income units

3. FINANCING TERMS

City dollars will be made available as loans for the developer(s) selected through this process. The City offers flexible terms designed to accommodate a range of projects. Respondents should indicate in their responses to this RFP what loan terms are proposed for the project, if selected. The City will evaluate the proposed terms, and will make the final determination of which form of assistance will be offered to successful respondents. Loans will be offered whenever feasible without sacrificing initial or long-term affordability. Selected projects will commit to providing long-term affordability commensurate with City and state regulations.

4. QUALIFICATIONS

This RFP is open to non-profit and for-profit housing developers as well as joint ventures and partnerships between developers, contractors, and other relevant entities with experience in affordable housing.

¹ Income limits for extremely low and very low income for 2024 are in Exhibit A. Note income limits are updated annually.

Respondents must have a demonstrated capacity to complete the proposed development in a timely manner. The City at its sole discretion may increase or decrease the number of projects which may be awarded funds.

The City encourages proposals for projects that:

- Provide housing units for extremely low-, very low-, and low-income individuals and families.
- Support diverse housing types, including affordable rental units, workforce housing, and ownership opportunities.
- Align with Walnut Creek's General Plan and Housing Element goals, especially regarding inclusion, sustainability, and accessibility.

Eligible projects must be located within Walnut Creek city limits and meet all relevant local, state, and federal requirements including but not limited to those relating to affordable housing provision, relocation, and equal opportunity/non-discrimination.

5. APPLICATION AND SUBMISSION

The City will conduct an initial review of all submitted applications to ensure completeness and eligibility. A selection committee will then score proposals based on the selection criteria identified in Item 6 of this RFP. The City's Housing and Community Development Committee will conduct an initial review of the highest scoring proposals and will recommend the top-ranked proposals to City Council for final approval. Final selection of projects and authority awarding funds shall be at the sole discretion of the City Council. Any contract resulting from this RFP shall not be effective unless and until approved by the appropriate City officials.

6. SELECTION CRITERIA

Proposals will be evaluated based on the following criteria:

1. Mix of Affordability Levels (25 Points Available)

The project must serve the local housing need consistent with the local plans (e.g., General Plan, Housing Element, or area plans). Housing units should serve the local area and use demographic context (e.g., by census tract or neighborhood). Respondents should identify the mix of housing type, number of bedrooms and the levels of affordability of units proposed, and how the development will achieve it.

2. Financial Feasibility (25 Points Available)

All projected funding sources must be identified before funding is distributed. City funds may not replace other permanent funding on the project, except when a permanent funding source is no longer available.

The application will be evaluated on the level of certainty, completeness and viability of the project financing strategy, adequacy of property management plans (see Section 6, Number 3), duration of affordability, ongoing sustainability, adequacy of support services, and firmness of financial commitments or likelihood of receiving those commitments.

Financial Feasibility will also assess:

- Project Readiness

Projects will be evaluated for their readiness to proceed and timing for requested funding. Respondents should demonstrate full site control and have initiated the intake process with the City's Planning Department. Projects that propose significant fundraising should demonstrate steps taken to prepare for and implement a capital campaign plan. Projects that will rely on public funding to cover the costs of ongoing operations or services should identify and describe the availability of such funding, and report on the project's competitiveness for such funds based on discussions with likely funders.

- Cost Effectiveness

Projects will be evaluated for cost effectiveness on a per unit and per square foot basis. Higher up-front development costs may be justified to create long-term operational efficiencies (e.g., through use of high efficiency building systems), provided that those increased costs have a relatively short payback period. The City may use third party reviewers to evaluate estimated construction costs.

- Operating Budgets

Development and operating budget forms should provide detailed explanation to support estimated expenses including submission of a proforma. If support services will be provided on-site, a detailed services budget must also be submitted. Proposed financing will be evaluated for feasibility based on expressed interest from lenders and investors, respondent experience in obtaining financing, and other competitive criteria.

3. Project Implementation and Management (20 Points Available)

Projects will be required to submit a project implementation schedule including all major milestones (property acquisition, development entitlements, construction start, occupancy, etc.). This submittal will be evaluated as a part of the selection process. The timeline for project completion must make reasonable assumptions. Respondents must provide a narrative regarding whether or not discretionary approvals are required for planning or building permits and the project's status and schedule relating to this. Project narrative should also include identification and mitigation of potential risks of the project. Projects that do not require discretionary planning approvals must provide a letter documenting why it is believed that the project does not need discretionary planning approvals from the City.

Project Management will also assess:

Property Management Plan

A successful management plan will include the following information:

(i) Occupancy: Information in the occupancy management plan must include lease information (length, tenant eligibility and selection standards, standards for termination of lease, eviction, lease renewal) and marketing strategies including local outreach.

(ii) Facility: The facility management plan should include provisions for both routine and long-term building maintenance.

(iii) Supportive Services: If applicable, the respondent must describe how any supportive services identified as an integral part of the project will be provided, either directly or through

linkages with an existing network of service agencies.

If a project is in its initial stages, a preliminary management plan may be submitted with the application. A final management plan will be required prior to funding.

Displacement and Relocation

Any activity which would result in the displacement of existing residents, especially low and/or moderate-income residents is discouraged. If displacement may occur, the respondent must submit, as part of the application for funding, a plan for providing relocation assistance to the displaced residents. If relocation may occur, you are strongly encouraged to contact the Housing Division prior to submitting your proposal to discuss project details and determine the relocation plan and process appropriate for your project and funding needs. Relocation costs should be included in the project budget. Projects funded with federal dollars (e.g., CDBG funds) must meet all applicable federal relocation requirements.

4. Project Experience and Track Record (20 Points Available)

The proposed property and asset management entities will be evaluated on their experience and performance in developing and managing comparable developments. Successful asset managers will demonstrate a detailed understanding of the physical and financial condition of their properties, regularly updated capital needs assessments, and thoughtful policies for balancing the objective of maintaining affordable rents and planning for healthy reserves and operating income to cover current and future expenses.

The application should include information sheets of past projects. The respondent should also identify lessons learned from previous projects and describe how performance/actions have been modified as a result.

5. Sustainable/Energy Efficient (5 Points Available)

- Developments that promote walkability and reduce reliance on private automobiles.
- Projects that incorporate renewable energy sources and emphasize environmentally friendly practices to reduce long-term operating costs.
- Developments that prioritize energy-efficient construction methods and sustainable building materials.

6. Community Engagement (5 Points Available)

- Projects that actively involve the local community in the planning and development process and provide a community engagement plan.
- Collaborative efforts that bring together various stakeholders, such as government agencies, nonprofits, and residents, to address housing needs holistically.
- Initiatives that incorporate supportive services and universal design principles to ensure accessibility for people with disabilities and diverse needs.

7. APPLICATION REQUIREMENTS

Proposals should be prepared simply, economically, and provide a straightforward, concise description of the respondent's company, qualifications, proposed solutions, and capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content.

Proposals must be organized consistent with the outline provided in this section of the RFP. Respondents must submit the following:

- Cover Letter: Summary of the project, including developer details and a brief description of the project's goals.
- Table of Contents
- Project Narrative: Detailed description of the project scope, including the number of units, types of housing, income levels served, sustainability features, and community impact.
- Detailed project Pro Forma: Total project costs, financing plan, and amount of subsidy requested from the City (not to exceed 25% of total budget).
- Development Timeline: Key milestones and expected completion dates.
- Developer Experience: Summary of the developer's experience with similar affordable housing projects.
- Site Control: Evidence of site ownership or control (e.g., purchase agreement or long-term lease).
- Partnerships and Community Support: Letters of commitment from partners or evidence of community engagement and support.
- Professional References, including at least three from owners of related projects.

Failure to follow the specified format, to label the responses correctly, or to address all the subsections may, at the City's sole discretion, result in the rejection of the proposal. Proposals should not contain extraneous information. All information presented in a proposal must be relevant in response to a requirement of this RFP, must be clearly labeled, and, if not incorporated into the body of the proposal itself, must reference to the appropriate place within the body of the proposal. Any information not meeting these criteria will be deemed extraneous and will not factor into the evaluation.

A digital copy of the proposal packet must be sent via email to the Housing Team at housing@walnut-creek.org by 5:00pm on Friday, January 31, 2025. The email's subject line must contain the words "Affordable Housing Subsidy Request for Proposal". Submissions received after January 31, 2025 at 5:00 p.m. will not be reviewed and/or considered valid. Hard copies and electronic versions via USB drives are also acceptable and should be delivered to:

Housing Team,
Community Development Department
City of Walnut Creek
1666 N. Main Street
Walnut Creek, CA 94596

Respondents are solely responsible for ensuring the proposal is received by the City prior to the deadline. The City will indicate successful receipt of the respondent's proposal with an email reply to the submission email that acknowledges receipt. An automated system generated receipt (e.g. read receipt or delivery receipt) does not constitute proof of successful submittal. Respondents must receive a specific email from the Housing Team confirming receipt.

8. TIMELINE

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| City Issues RFP | November 15, 2024 |
| Deadline for Written Questions | December 20, 2024 |
| City Issues Responses to Written Questions | January 10, 2025 |
| Proposal Deadline | January 31, 2025 at 5:00pm |
| City Discussion with internal Housing and Community Development Committee | March-April 2025 |
| City Council Review | April-May 2025 |
| Award Notification | June 2025 |

9. PROPOSAL PREPARATION COST

The City will not pay any costs associated with the preparation, submittal, or presentation of any proposal, including preparation and participation at the proof-of-capabilities demonstrations. Respondents submit responses to this RFP at their sole cost and expense.

10. RFP AMENDMENTS AND CANCELLATION

This RFP does not commit the City to: award a contract, grant, or loans; pay any costs incurred in the preparation of a proposal for this RFP; or to procure or contract for any services. The City reserves the right to cancel, extend, or revise, in part or in its entirety, this RFP including but not limited to: selection schedule, submittal date, and submittal requirements. The City reserves the right to waive any minor defects, irregularities, informalities, or irregularities contained within the RFP or in responses received, to request clarification of services submitted, to request additional information from competitors, to reject any or all proposals received as a result of this request; and to negotiate with any qualified candidates or to cancel the RFP in part or whole. The City and the final selected firm may agree to add additional work to the scope of services by mutual agreement at a later date. The City may elect to stop work at any time in the contract and will pay for work completed to that point on a time and material basis. The City reserves the right to reject any proposals based upon the respondent’s prior history with the City or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet milestones or other contractual failures. This RFP and the interview process shall in no way be deemed to create a binding contract or agreement of any kind between the City and any respondent.

11. PUBLIC RECORDS

All documentation and/or materials submitted with a proposal shall remain the property of the City, treated as a public record, and will not be deemed confidential or proprietary. In the event that a respondent desires to claim portions of its proposal as exempt from disclosure as proprietary material or trade secret, it is incumbent upon the respondent to clearly identify those portions as proprietary or trade secret by marking the top of each sheet of the submittal with the following legend:

“CONFIDENTIAL INFORMATION”

If a request is made for information marked “confidential”, the City will provide the respondent who submitted such information with reasonable notice to allow the respondent to seek protection from disclosure by a court of competent jurisdiction.

Please note that although the California Public Records Act recognizes certain confidential proprietary/trade secret information may be protected from disclosure, the City may not be in a position to establish that the information that a respondent submits is a trade secret or proprietary. If a request is made for information marked trade secret or proprietary, and a requester takes legal action seeking release of the materials it believes does not constitute proprietary or trade secret information, by submitting a proposal in response to this RFP, a respondent agrees to indemnify, defend and hold harmless the City, its officials, representatives, agents, and employees, from any judgment, fines, penalties, and award of attorneys’ fees awarded against the City in favor of the party requesting the information, and any and all costs connected with that defense. This obligation to indemnify survives the conclusion of the RFP or City’s award of a contract if any.

12. ADDITIONAL INFORMATION

1. A respondent may withdraw and resubmit a proposal prior to the proposal submission deadline. No re-submissions will be allowed after the submission deadline.
2. The City may contact the references provided; contact any respondent to clarify any response; contact any current users of an respondent’s services; solicit information from any available source concerning any aspect of a proposal; and seek and review any other information deemed pertinent to the evaluation process.
3. The selected respondent is required to provide a valid City business license number prior to contract approval.
4. Changes to the selected respondent’s project personnel shall not be allowed without prior written approval by the City.
5. Any irregularities or lack of clarity in the solicitation should be brought to the City’s attention as soon as possible so that corrective addenda may be furnished to respondents if deemed necessary by the City.
6. Any final contract between the selected respondent and the City will include the following terms: (1) the City’s standard insurance requirements; (2) the City’s standard language for indemnification and hold harmless obligations; and (3) the City’s affordable housing agreement standard terms (which may be tailored as appropriate given the context and purpose of the final contract), all of which are attached hereto and incorporated herein as Exhibit B. By submitting a proposal, the respondent represents and agrees that it has the ability to meet these terms and agrees to comply with these terms.
7. The City reserves the right, at its sole discretion, to alter, amend, modify, or cancel this solicitation at any time, including the modification of the deadlines and schedule and/or the scope of work, or to withdraw this solicitation, in whole or in part, at any time prior to the award of a contract pursuant hereto.
8. Each respondent must include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, suspensions, any civil or criminal litigation or investigation pending which involves the respondent or in which the respondent has been judged guilty or liable. Failure to comply with the terms of this provision will disqualify any proposal. The City reserves the right to reject any proposal based upon the respondent’s prior history with the City or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures.
9. Respondent understands and acknowledges that the representations above are material and important and will be relied on by the City in evaluation of the proposal.

10. By submitting a proposal, respondent represents and warrants that it has thoroughly examined and is familiar with work required under this RFP, that respondent has conducted such additional investigation as it deems necessary and convenient, that respondent is capable of providing the services requested by the City in a manner that meets the stated objectives and specifications as outlined in this RFP, that respondent has reviewed and inspected all materials submitted in response to this RFP, and if selected respondent will adhere to the contract conditions outlined in Exhibit B. Once the respondent has been selected, a failure to have read the terms, conditions, instructions, and specifications herein shall not be cause to alter the contract or for the selected respondent to request additional compensation.
11. By submitting a proposal, the respondent represents that it and its subsidiaries do not and will not discriminate against any employee or respondent for employment on the basis of race, religion, sex, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy- related conditions, political affiliations or opinion, age, or medical condition.

13. CONTACT INFORMATION

For questions or additional information, please contact:

Stefanie Brynen
Housing Manager
housing@walnut-creek.org
(925) 256-3544