

**CITY OF OCEANSIDE  
REQUEST FOR QUALIFICATIONS (RFQ)  
MISSION AVENUE AFFORDABLE HOUSING MIXED-USE DEVELOPMENT**

**ISSUANCE DATE: JULY 1, 2010**

**PRE-SUBMITTAL CONFERENCE (REQUIRED ATTENDANCE): JULY 22, 2010, 10:00a.m.**

**FINAL SUBMITTALS DUE BY: AUGUST 31, 2010, 5:00p.m.**



City of Oceanside  
Neighborhood Services Department  
300 North Coast Highway  
Oceanside, CA 92054

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**I. INTRODUCTION**

On March 17, 2010, the City Council of the City of Oceanside (the City) approved a Vision and Strategic Plan (the Vision Plan) to help shape future development of a 14.5-acre site owned by the City. The project site (the Site or Project) is currently undeveloped and unentitled and is located in the 3200 block of Mission Avenue along the south side.

The Vision Plan, which involved a series of public workshops and input from community leaders and City staff, includes certain planning, design and implementation strategies for the preferred development of the site as a combination of affordable family apartment homes, senior/special needs housing, a commercial/office plaza, a community center, pocket parks and active/passive open space. The ideal senior/special needs housing project would incorporate both seniors and special needs clients, but projects including only seniors, or only special needs clients will be considered by the City.

The City seeks a qualified Developer or Development Team that is experienced, financially creative and capable of developing, financing and managing a project reflecting the City's Vision Plan for the Site. Respondents must be able to demonstrate development, management and service provision experience and be able to work cooperatively with the community and City staff to design and implement a successful affordable housing/mixed-use development.

As part of the selection process, developers will be required to submit a basic Statement of Qualifications (SOQ). From these submittals, the City will select the most qualified Developer or Development Team through a competitive process. The City and the selected Developer or Development Team will negotiate and enter into a Development Agreement.

**II. DEVELOPMENT SITE**

The Vision Plan summarizes existing conditions, opportunities and constraints at the Site. Basic Site information includes the following:

Address	3200 block of Mission Avenue
Location	The entire length of the Site runs along the south side of Mission Avenue, approximately three-quarters of the distance between Carolyn Circle to the southwest and Foussat Road to the northeast.
Lot Size	The Project Site is comprised of a semi-rectangular vacant parcel of land, covering an area of 14.5 acres and spanning a distance of approx.. 1,540 feet in length by 460 feet in width.
Current Zoning	The Site is currently designated as IL (Limited Industrial).
Land Use Approvals Required	A General Plan amendment and zone change will be required. The selected Developer or Development Team will complete entitlement of the property.

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**III. DEVELOPMENT AND FINANCIAL PARAMETERS**

The Vision Plan established certain planning principles, development guidelines and implementation strategies for the Site development. The Planning Principals include the following:

- Ensure compatibility with and minimize impacts to the adjacent residential neighborhood and other nearby uses.
- Provide a range of housing types for different community needs (such as for families, seniors/special needs).
- Apply Universal Design to allow residents to remain in place as they age and circumstances change.
- Incorporate sustainability measures and conservation of resources.
- Design buildings, spaces and uses to create a sense of neighborhood.
- Ensure the vision for site development is economically feasible.
- Create flexibility in the plan to accommodate possible changes in market conditions and community needs during the development period.
- Provide a high quality development that the community will be proud of for years to come.

The RFQ process is meant to select a Developer or Development Team most capable of achieving the City’s vision for the Site within these Planning Principles. The Preferred Option site plan includes three different housing types situated in the following five development clusters:

Family Housing Portion:

- Component A: 38 walk-up, townhome style units
- Component B: 62 garden apartments
- Component C: 22 walk-up, townhome style units
- Component D: 28 walk-up, townhome style units

Senior/Special Needs Portion:

- Component E: 138 senior/special needs units

Commercial Portion:

- 10,000 – 12,000 sq. ft. of neighborhood serving commercial-retail space

For purposes of the RFQ and subsequent Development Agreement, the following are minimum parameters:

Site Control	The City will retain ownership of the site through long-term ground lease or leases.
Project Size	The City seeks a minimum of 150 affordable family units and 138 senior/special needs units.
Unit Type	The City seeks a mix of one, two, and three-bedroom units. Tax credit and other financing considerations may impact the precise mix .

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Housing Affordability Requirements	The City's preference is for 100% affordability. The City will require annual rent increases for affordable units to be the lesser of a) 5% or b) the maximum amount permitted by other financing partners such as TCAC, CDLAC and other programs.
Minimum Revenue Sharing	Any City participation shall be in the form of a secured loan with a subordinate lien position determined by lender and tax credit partner requirements. Repayment will be made from a portion of residual receipts after debt service on amortized loans, reserves, operating expenses and an agreed upon level of developer return.
City Lien Position	The City of Oceanside shall be the issuer of any multifamily revenue bonds for the Project, which are subject to an Issuer Fee of 1/4 of 1% of Bond Par Amount at closing and 1/8 of 1% per year for the term of the Regulatory Agreement.
Residual Receipts	The following assumptions are typical and should be used when preparing the financial pro forma, unless alternative funding sources are subject to different and more restrictive terms: <ul style="list-style-type: none"> <li>• City loan: 55-year, 3% loan with residual receipts split 50% to City/50% to owner.</li> </ul>
Proforma Assumptions	<ul style="list-style-type: none"> <li>• Rent increases: use 2.5% annually.</li> <li>• Expense increases, excluding operating and replacement reserves: use 3.5% annually.</li> <li>• First mortgage debt coverage ratio: not less than 1.2x-1.0.</li> <li>• Estimate annual operating expenses, exclusive of property taxes (assumes Welfare Exemption with 501(c)3 tax credit general partner), depreciation or amortization expenses, any special service costs, and replacement reserves.</li> <li>• Replacement Reserves: not less than \$400 per residential unit per year.</li> <li>• Construction estimates: Minimum vacancy rates for residential units: assume 5% annually.</li> </ul>
Project Funding	The Vision Plan identifies a variety of funding sources. Due to State budget implications for redevelopment tax increment, the City seeks a financing approach that minimizes the City's gap financing contribution.
Design	Consistent with the Planning Principles and Development Guidelines contained in the Vision Plan.
Green Building/ Energy Efficiency	The Vision Plan sets out that the development shall meet a minimum LEED Silver rating, with higher rating levels encouraged.

**IV. SITE DEVELOPMENT PARAMETERS**

The Vision Plan sets out certain information and guidelines with regard to Site development.

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**V. RFQ SUBMITTAL PROCESS**

The Agency seeks to receive information about the qualifications and intent of those responding to this solicitation. Interested Developers/Development Teams must respond by submitting a basic Statement of Qualifications (“SOQ”). The SOQ will be used to identify Developers or Development Teams with the requisite experience and knowledge in implementing the City’s Vision Plan.

**A. Pre-Submittal Conference**

Prospective proposers are **required** to attend the **Pre-Submittal Conference**. The purpose of the conference is to:

- Describe the purpose and objectives of the RFQ;
- Review selection criteria;
- Summarize the requirements and selection procedures; and
- Answer questions regarding the RFQ process.

The Pre-Submittal Conference has been scheduled as follows:

**Date/Time: July 22, 2010, 10:00a.m.**

**Location: Oceanside City Civic Center, Community Rooms  
300 N. Coast Hwy., Oceanside, CA 92054**

Please send an Email to [housingprojects@ci.oceanside.ca.us](mailto:housingprojects@ci.oceanside.ca.us) or call (760)435-3960 to confirm your attendance at the workshop no later than **July 12, 2010**.

**B. SOQ Submittal Requirements**

The SOQ shall include a description of the organizational structure, development track record, and financial capability of the developer. The SOQ shall contain, at a minimum, the following information:

1. **Developer or Developer Team.** Identify the proposed Developer or Development Team members. For each member, provide a brief summary of the firm, identify the chief executive and key staff members (including day-to-day lead contact to the City) with brief bio (1-2 paragraphs). Include a narrative that describes the proposed Developer or Development Team and roles related to each component of the Project. Please include:
  - A copy of the non-profit partner’s 501(c)3 Determination Letter from the IRS.
  - A table which clearly defines each member of the Development Team, the component of the Project for which the member is responsible, and what role the member serves (e.g., development, management, service provision).
  - A table which clearly defines other Project team members expected if applicable to serve in a supporting role on the project such as architect, contractor, planning consultant, etc.

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2. **Developer Experience.** Please prepare a table describing recent affordable residential rental development and property management experience (last five years) of each key Development Team member, with an emphasis on projects similar to the proposed development project.
- Include for each project the following information: project name and type (including photographs), project address, role of “Development Team” member, other relevant development team members including project architect and all associated consultants and professionals, unit count by type and size, tenant mix (including any special needs served), affordability, completed value, leveraging sources (including as applicable (a) name and contact information for first mortgage lender; (b) name and contact information for tax credit investor; and/or (c) name and contact information for public agency partner), construction completion date and timeframe to complete project from plans submittal date;
  - Include a description of how previous projects were developed to compliment surrounding neighborhoods and how community support was obtained.
  - Senior/Special Needs Development Team Members must include specific reference to experience developing senior and special needs housing.
3. **Financing Plan and Development Capability.** Because the City is concerned with selecting a Developer or Development Team capable of carrying out the Vision Plan, the City seeks feedback through the SOQ process about how Developers/Development Teams would approach the Plan’s execution. The purpose of this section is for the Developer/Development Team to demonstrate thoughtful consideration of design, planning, market and financial considerations for the Site development.

**a) Development Program and Physical Plan**

Based on a review of the Vision Plan, and the Development and Site Parameters identified in this RFQ, provide the following information:

- Identify key design issues and constraints for achieving or exceeding the City development goals.
- How would you envision infrastructure, common areas, parking and amenities developed in conjunction with the development components? Who would bear financial responsibility for these if components are developed among multiple partners?
- How would you envision project phasing? What would be your expected dates to complete entitlements, submit construction plans, initiate construction and complete construction for each component? What are the key contingencies?
- What would be your target development program for each component including unit mix, affordability and rents, target population, and square footage of development?
- Describe in narrative form how the Developer or Development Team would envision the Project would be designed and constructed to meet or exceed the City’s Green Building and Energy Efficiency requirements.

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**b) Financing Plan**

Respondents should describe their financing plan, including a pro-forma, development budget, funding sources, preliminary estimate of costs, how the Developer or Development Team intends to minimize the funding gap, and showing the funding gap under a preferred plan of finance.

- Provide in narrative form, a summary of your plan of finance. Each funding source should be described in detail including target affordability requirements, expected financing terms, and prospective availability of funds. Describe any guarantees the Developer/Development Team may provide relative to each component or phase. Provide the following information in an Appendix:
  - For the Family and any appropriate portion of the Senior/Special Needs components components, provide financing gap estimates assuming two different scenarios: (a) 9% tax credits; and (b) 4% tax credits and bonds. Handicap TCAC and/or CDLAC scoring and tie breakers and the timing of receipt of credits. Recommend a preferred strategy for financing given tax credit allocation and timing constraints.
  - Unit count by type and size, tenant mix and rents, square footages for each component, and allocation of common area costs if shared among component areas (including a detailed breakdown of parking spaces required and allocated among component areas).
  - Sources and Uses of funds at closing and permanent financing broken down both by component area and aggregated.
  - Pro-forma for the housing components (55 years). The pro-forma should be consistent with estimated timeline under 3a).
  - Estimated residual fees likely to be paid to the City.
  - Estimated construction costs.
  - Preliminary itemized estimate of entitlement costs and applicable development fees.
  - Gap financing request of the City pursuant to the repayment terms described herein.

**c) Narrative Discussion**

- Address how the City and Developer/Development Team may trade off the estimated gap cost to City and alternative levels of affordability.
- Describe in narrative form, as applicable, assuming multiple developers, how the financial relationship will work among development partners. How will common areas be constructed? How will financial and development risks be shared and segregated? How will the City be assured that all component areas will be built in a timely manner?
- Provide narrative, basis, timing, and preliminary expected amount and method of compensation for each development component. Explain amount and timing of developer fee and basis for how it might change should the development project change.

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- Relate in narrative form, the Preliminary Financing Plan with the Developer Experience summarized in Section 2 above, i.e., describe how the plan of finance is similar to projects listed as prior experience with regard to securing similar funding, achieving similar affordability, developing under similar market dynamics.
- Describe in narrative form the types of supportive services and/or programs envisioned for each applicable component area. Identify potential service providers that may provide such services and estimated costs and funding sources. Describe relevant experience with securing funding and providing such services, and prior relationships with service providers.
- From Section 2 above regarding prior development experience, the City should be able to contact at least three (3) public agency partners, one (1) first mortgage lender, and one (1) tax credit investor.

**d) Community Participation**

Describe the approach and methods your team will utilize to assure meaningful participation by the community in the planning and implementation of the Mission Avenue development.

**C. SOQ Submissions**

Submittals must include a signed original on 8-1/2" X 11" paper and an electronic copy delivered by email. The original and the electronic copy must be complete including appendices and attachments. Packages must be organized and tabbed consistent with the requirements outlined in Section B above and include a table of contents and numbered pages.

**All submittals are due by August 31, 2010, 5:00 p.m.**

Submittals should be addressed to:

City of Oceanside Neighborhood Services Department  
Attn : David Manley, Neighborhood Services Division Manager  
300 N. Coast Highway  
Oceanside, CA 92054

The City, following review of initial submissions, may request additional information from Respondents. **Submissions received after the deadline will not be considered.**

**IX. SELECTION CRITERIA**

Upon receipt of submittals, the City will evaluate and determine which, if any, developers will be invited for follow-up interviews. However, the City retains the right to select a Developer or Development Team without interviews.

Submittals will be evaluated based on the following criteria as relates to each component area of the Project as contemplated under the Vision Plan:



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**A. Developer Experience**

1. Demonstrated capability to entitle, design, and construct projects of similar size and complexity as applicable to each component area contemplated by the Vision Plan.
2. Demonstrated capability to manage or secure management of projects of similar size and complexity as applicable to each component area contemplated by the Vision Plan.
3. Demonstrated capability with regard to service provision as applicable to each component area contemplated by the Vision Plan.
4. Ability to bring together resources, experience and capability to assure timely completion of proposed development.

**B. Demonstrated Developer Vision**

1. Demonstrated ability to identify key issues related to implementation of the City's Vision Plan.
2. Demonstrated reasonable approach of ensuring timely completion of each component area.
3. The degree to which the team demonstrates an appreciation of the potential problems associated with the Project and a coherent and creative approach to solving them.
4. Depth of feedback in support of or refining the vision of the City for the Site development.
5. How likely will the Respondent be to provide enhanced support services to each component area?

**C. Financing Plan and Capability**

**Developer financial capacity will be evaluated based on the following:**

1. Demonstrated capacity to finance each component contemplated by the Vision Plan. Capacity is best demonstrated by the successful financing of similar projects since the financial crisis of Fall 2008.
2. The amount and type of gap assistance requested of the City. In general, SOQs with smaller funding gaps will be considered more favorably.
3. Demonstrated strategy for obtaining 9% LIH Tax Credits or Bonds and 4% LIT Tax Credits and all other non-City financing sources in a timely manner.

The Agency may, at its discretion, request that developers modify, clarify or supplement their submissions with additional information. Developers may also be asked to make a formal presentation and/or attend an interview.

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**X. DEVELOPMENT TEAM AND DEVELOPMENT AGREEMENT SCHEDULE**

The following is an **estimated** schedule for selecting a Developer or Development Team and approving a Development Agreement:

<b>Description</b>	<b>Date</b>
Release RFQ	July 1, 2010
Pre-Submittal Conference	July 22, 2010
<b>Final Submittals Due</b>	<b>August 31, 2010</b>
Housing Commission Review	September 2010 est.
City Council Selection of Developer	October 2010 est.
Development Agreement Negotiation	December 2010 est.
City Council Approval of Development Agreement	January 2010 est.

Each Contractor and Developer members of proposed Development Teams must be in good standing with the City, in full compliance with City requirements including loan and lien payments, building permits and other applicable requirements. For example, Contractors or Developers that have not obtained proper City building permits in advance of starting construction will not be considered in good standing.

**XI. PROPERTY DISPOSITION AND DEVELOPMENT**

The City and the selected Developer will enter into a Development Agreement or Disposition and Development Agreement establishing real estate, financing, development, entitlement and affordability requirements for the Project.

**XII. DISCLAIMERS**

All facts and opinions stated herein and in any additional information, whether written or oral, provided by the City are based on available information and is believed to be accurate. However, no representation or warranty is made with respect thereto.

The City reserves the right to change the submission with or without written notice should the City determine, that such changes are necessary.

Those submitting proposals assume all financial costs and risks of submission. No reimbursement or remuneration will be made by the City to cover the costs of any submittal, whether or not such submittal is selected.

The City reserves the right to reject any or all submittals at its sole and absolute discretion and accepts no responsibility for any financial loss by such action. The City reserves the right not to proceed with the Project, or to change Project parameters.

Any agreement(s) that may be entered into between the Developer or Development Team and the City are subject to approval by the City Council.

### **XIII. ADDITIONAL PROJECT INFORMATION**

The following documents are available for reference on the **Mission Avenue Affordable Housing** webpage at : <http://www.ci.oceanside.ca.us/MAAH/>

1. Vision Plan
2. Site Map
3. Area Median Income (AMI) Schedule
4. City of Oceanside Utility Allowances Schedule