



DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY

AGENDA

SPECIAL MEETING

COUNCIL CHAMBERS – 333 90TH STREET

MONDAY, JULY 22, 2019 – 7:00 PM

For those wishing to address the Agency Board on any Item on the Agenda or under Public Appearances/Oral Communications, please complete a Speaker Card located at the entrance to the Council Chambers and submit to a Staff Member as early in the meeting as possible.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at 991-8078 as soon as possible.

CALL TO ORDER

ROLL CALL

APPROVAL OF MINUTES

JANUARY 14, 2019

RESOLUTIONS

1. Authorization to Issue Request for Qualifications for the Development of the Housing Successor Parcel at Carter and Martin Streets.

PUBLIC APPEARANCE – ORAL COMMUNICATIONS

NOTE: Speakers are limited to two minutes, unless modified by the Chair. The Board cannot take action on any matter raised under this item.

ADJOURNMENT

DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY
MEETING MINUTES
January 14, 2019

The meeting was called to order by Chairperson at 9:51 P.M.

ROLL CALL: Commissioners Present:

Ray Buenaventura, Chairperson
Glenn Sylvester, Vice Chairperson
Rod Daus-Magbual
Pamela DiGiovanni
Juslyn Manalo

Staff Present:

Shawanna Maltbie, Executive Secretary/Director
Rose Zimmerman, General Counsel
K. Annette Hipona, Assistant Secretary

MINUTES:

Special Meeting of June 11, 2018

It was moved by Vice Chairperson Sylvester, seconded by Commissioner Manalo and carried to approve the Special Meeting minutes of June 11, 2018.

CHANGE OF OFFICERS

The Mayor of the City of Daly City is hereby designated as Chairperson and the Vice-Mayor is hereby designated as Vice Chairperson.

RESOLUTIONS:

SB 341 Fund Spending Plan and 2018-2019 Budget

It was moved by Vice Chairperson Sylvester, seconded by Commissioner Manalo and carried by unanimous roll call vote adopt the following resolution:

HFA-47, Approving the SB 341 Housing Asset Fund Policy and Procedures Manual and 2018-2019 Budget Reflecting Allocations

ADJOURNMENT:

It was moved by Vice Chairperson Sylvester, seconded by Chairperson Buenaventura, and carried to adjourn the meeting of the Daly City Housing Development Finance Agency at 9:56 P.M.

Assistant Secretary

Approved this _____ 29th _____ day
of _____ July _____ 2019.

Chairperson



Daly City Housing Development – Finance Agency

Item # _____

July 22, 2019

SUBJECT: Authorization to Issue Request for Qualifications for the Development of Housing Successor Parcel at Carter and Martin Streets

RECOMMENDED ACTION

Authorize circulation of a Request for Qualifications from selected developers related to master planning and affordable housing development at the Carter/Martin property.

BACKGROUND

On July 8 the Daly City Housing Development Agency (DCHDFA) Board conducted a study session to discuss land use, affordable housing and disposition strategies for an Agency-owned 12.5-acre site located in the Bayshore neighborhood and fronting Carter and Martin Streets adjacent to the Cow Palace. The property was transferred to the DCHDFA in upon the dissolution of the Daly City Redevelopment Agency in 2012 for the purpose of affordable housing in a manner consistent with the housing provisions of the California Redevelopment Act and represents the only property owned by the Housing Successor that can be developed for the purpose of affordable housing development. Under California law, SB 341, the Agency is obligated to show progress in the disposition and development of its housing asset site within a reasonable period or five years of the transfer date or be subject to reclamation of the parcel by the State Housing Authority.

July 8 Study Session - At the July 8 study session, the Agency Board reviewed three preliminary land use concepts prepared by BKF Engineers and expressed a preference for development that included both higher density rental apartments and a medium density ownership townhome product. The Agency also recognized benefits of an overall masterplan for a larger development site that might include the 12.5 acre DCHDFA site as well as all or a portion of adjacent sites owned by SyWest and the Cow Palace. Exhibit A provides a map showing the boundaries of the three properties.

Specifically, the study session referenced a 2004 Master Plan prepared by Gast Hillmer Urban Design for the City focused on the Cow Palace, Syufy and Agency-owned properties. The plan found that “the value of all the parcels would be significantly higher if redeveloped under one integrated master plan than if redeveloped separately”. The master plan concluded that the joint use of the three sites permits a more market-responsive and more efficiently laid out combination of retail and residential uses than could be built on any one of the individual parcels.”

Working with adjacent property owners, an updated masterplan would allow for well-coordinated and efficient utilization of the site by encouraging development to follow natural boundaries rather than arbitrary property lines. An updated Master Plan for the three-parcel site would provide guidance on the optimal land-use plan and address critical community

concerns including traffic circulation, emergency vehicle access as well as provision of community-serving uses such as a grocery store and recreational spaces. More efficient site utilization will have the impact of reducing overall development costs which would allow for greater inclusion of uses with particular public benefits such as affordable housing, parks and community facilities.

Overall, staff finds that optimal development of any one of the three parcels depends on careful master planning of the entire site and a cooperative working relationship between the three landowners. The land use for the 12-acre master planned Housing Successor parcel would emphasize affordable housing, possibly including provisions for one or more special needs populations such as veterans, while the SyWest and Cow Palace parcels would emphasize market rate housing and commercial development.

Developer Selection – Effective master planning would involve active participation on the part of all parties who would be carrying out the development activities envisioned in the updated masterplan. Accordingly, selection of a developer for the Agency’s housing site should take place before initiating masterplan work. The Agency Board acknowledged that requesting developer credentials from a limited, targeted set of developers would reduce the administrative burden and time requirements for selection of a developer, while still encouraging the creativity and competition among developers that will result in the best possible development outcome to the City.

Given the possibility that a master planning process could result in modified property lines, staff recommends that developer solicitation and selection focus on developer experience and qualifications, rather than a fully developed site plan. In addition, preparation of qualifications statements is a faster process than preparation of detailed development proposals and will result in a faster schedule for developer selection and completion of affordable housing units. Therefore, the attached draft developer solicitation for Agency consideration is a Request for Qualifications (RFQ) rather than a Request for Proposals (RFP).

DISCUSSION

In response to Agency direction at the July 8 Study Session, staff has prepared a draft Request for Developer Qualifications (RFQ) (Exhibit B). Staff proposes distribution of the RFQ to the following targeted developers:

- SyWest Development
- Mid Peninsula Housing Coalition
- Bridge Housing
- Mercy Housing
- Deca Development
- Eden Housing
- Core Companies

Carter/Martin Housing Successor Land Asset
Page 3 of 4

These developers are the proposed, “targeted” developers based on their reputation and experience in the affordable housing field and/or recent expressed interest in the Carter/Martin property.

Key elements of developer submittals will include:

- * Description of a potential conceptual project including level and extent of housing affordability
- * Identification of team members
- * Relevant project experience
- * Project approach
- * Overview of experience in master planning with multiple land owners participation
- * Description of working collaboratively with adjacent land owners
- * Experience in the planning, development and operation of affordable housing
 - * Knowledge and transaction experience with affordable housing funding sources
 - * Financial data
 - * Indication of support from adjacent property owner(s)
 - * Litigation history with public agencies
 - * References from cities where the developer has completed projects

The following schedule is proposed for the RFQ process:

- July 29 Release of RFQ
- September 13 Developer Statement of Qualifications (SOQ) due
- September 16-30 Review and analysis of SOQs
- October 7 Special Agency board meeting to interview developers
- October 14 Selection of developer and authorization to staff to negotiate Exclusive Negotiating Agreement (ENA)
- October 28 Agency Considers ENA with selected developer

Following execution of an ENA with the Agency, the selected affordable housing developer could begin work with owners of the adjacent properties (SyWest and the Cow Palace) on a comprehensive master plan of the three-parcel area.

The recommended development program requires cooperation and commitment of all three property owners. Staff has not confirmed the willingness of SyWest and/or the Cow Palace to work collaboratively on a master plan. Therefore, staff recommends identification and engagement of an experienced and reputable affordable housing developer with a proven track record in the development and operation of affordable housing for the Carter /Martin site. Following execution of an ENA, the Agency and selected developer will work diligently to pursue a working agreement with adjacent property owners to master plan a larger area in order to realize the benefits described above. If, after a defined amount of time, the various landowners are unable to come to a working agreement regarding a

Carter/Martin Housing Successor Land Asset
Page 4 of 4

mutually beneficial masterplan agreement, the Agency could negotiate with its selected developer to develop the Carter/Martin Housing site with its existing boundaries and without master planning.

RECOMMENDATION

The Carter Martin property represents a rare opportunity to develop new housing that will address critical affordable housing needs and catalyze desired development in the larger Bayshore neighborhood. Working collaboratively with adjacent land-owners will ensure the most efficient and attractive use of the Agency's property and an outcome that provides the most benefit to the larger Bayshore neighborhood.

Staff recommends the Agency Board authorize release of the attached RFQ to the list of developers referenced above, the goals of selecting an experienced affordable housing developer, identifying the optimal land use plan and completing development of new affordable housing on the Carter/Martin property quickly and in accordance with the time frames established in state law.

Respectfully submitted,

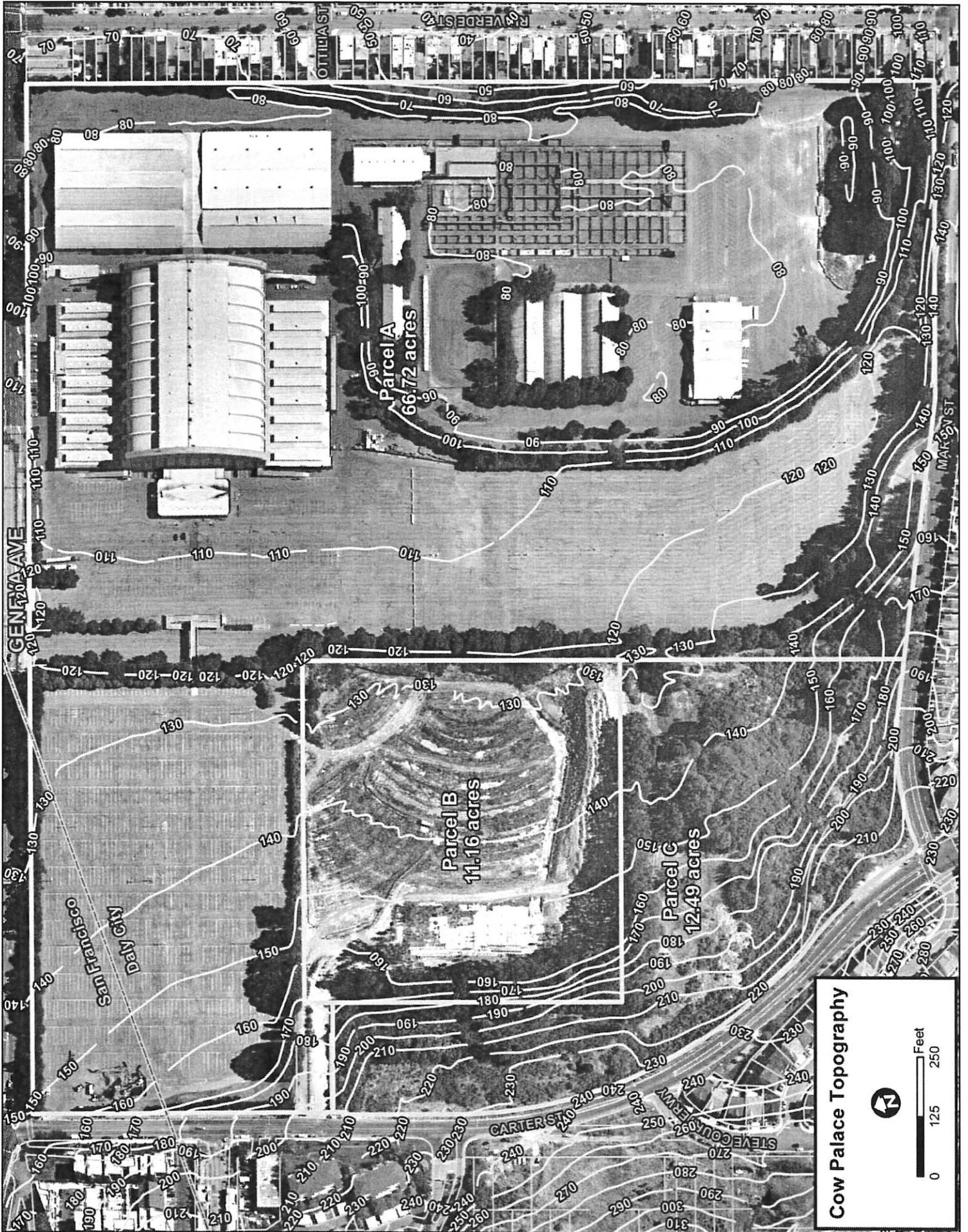


Betsy ZoBell
Housing and Community
Development Supervisor



Tatum Mothershead
Economic and Community
Development Director

Attachments: Map of subject properties
Draft Request for Qualifications (RFQ)





City of Daly City, California
Request for Developer Qualifications
Development Opportunity

Carter/Martin Site

RFQ Issued –
Deadline to Submit – Friday, September 13, 2019 by 5:00 PM PST

Table of Contents

1. Introduction and Background.....	1
2. Submittal Requirements.....	5
3. Evaluation Criteria, Procedures, and Tentative Timeline.....	8
4. Additional Documentation & Contact Information.....	10
<u>Appendix:</u>	
• Assessor Maps	11

DEADLINE FOR SUBMITTAL: Friday, September 13, 2019 at 5:00 PM PST

An electronic copy of the RFQ and supporting documentation can be accessed at the following location: link TBD



1. Introduction and Background

Project Objective

Through this RFQ process, the Daly City Housing Development Finance Agency (DCHDFA) intends to select a developer to develop a combined high/medium density residential development that is affordable to various income levels on an approximately 12.5 acre site in the Bayshore neighborhood of Daly City. The Site is adjacent to two parcels, one is the Cow Palace which is owned by the State of California and the other is owned by Syufy Properties. The Agency is looking for a developer to coordinate with the adjacent property owners to update the 2004 Cow Palace Master Plan that concluded that the value of all the parcels would be significantly higher if redeveloped under one integrated master plan than if redeveloped separately.

The Agency invites experienced developers to submit qualifications for the development of the Carter/Martin Site further described below.

Overview of Site

The development opportunity is located in the northeast corner of Daly City in the Bayshore neighborhood. It is an irregular site bounded by Carter Street to the west and Martin Street to the south. The Site is comprised of two parcels (APN: 005-050-240 and 005-380-020). It is currently zoned C-1 and is owned by DCHDFA, the Successor Agency to the former Redevelopment Agency of the City of Daly City. As such, the site is a housing asset with affordability restrictions mandating income-targeting requirements that applied under Community Redevelopment Law.

As previously mentioned, the site is adjacent to the 77.5 acre Cow Palace owned by the State of California and the 11.16 acre vacant property owned by Syufy Enterprises. The site is undeveloped and has relatively steep topography in portions with dense vegetation. Potential Site constraints requiring further investigation, but are not limited to include: wetlands, habitat areas, endangered species, soils and geotechnical, non-engineered fill, utility capacity, and hazardous materials and toxics.

Located immediately south of San Francisco in San Mateo County, Daly City is a well-educated and relatively affluent community of approximately 105,000 residents with accessibility to the I-280 and U.S. Route 101 freeways. The Bayshore neighborhood is part of the Bayshore Basin, a drainage basin bounded by San Bruno Mountain to the west and south, and to the north by San Francisco, and to the east by San Francisco Bay.



Overview of Development Opportunities

The City desires that the selected developer(s) take into account the following considerations:

1. Development should be consistent with approved Development Agreements (“DA”) and Disposition and Development Agreements (“DDA”) in the context of TOD and appropriate phasing / mix of uses as appropriate. Variations from the approved project concept should be substantiated with market data, economic analysis, and/or other supporting information.
2. The development should involve community outreach, involvement, input, and be supported.
3. The development must exemplify attractive architecture and sustainable design and construction, as well as coordination and efficient utilization of the site in relation to the adjacent parcels. Shortlisted developers will have the opportunity to meet directly with staff to exchange priorities and details about the expected design, quality, and mix of the development as well as proposed offsite improvements that may impact this project. These priorities will ultimately need to be considered and as part of the financial pro forma, valuation estimates, financial returns, and estimates of project fiscal impacts that serve as the basis for an eventual Letter of Intent (“LOI”).
4. The development should provide vehicle and pedestrian connectivity.
5. Conveyance of the property will be subject to receipt of all entitlements, permits, and construction financing is in place, which may be agreed upon in an approved DDA.

Copies of a Regional Map and Site Aerial are provided on the following pages.

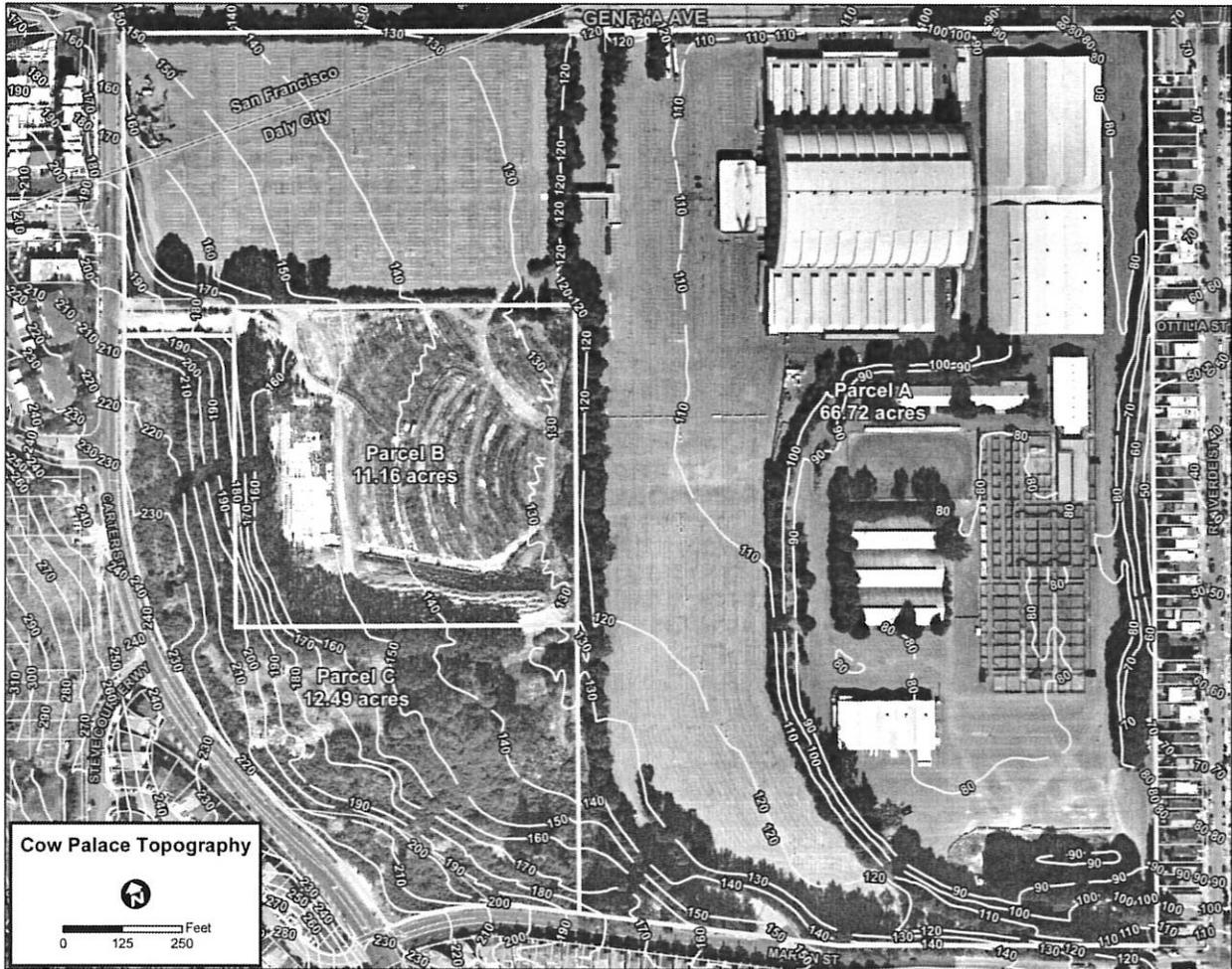
Figure 1: Regional Map and Demographics

Map and demographics to be inserted

DRAFT



Figure 2: Site Aerial with Topography and Zoning Information – Carter/Martin Site



Parcel A: owned by the Cow Palace
 Parcel B: owned by Syufy Enterprises
 Parcel C: owned by Daly City Housing Development Finance Agency

Size	APN	Zoning
About 12.5 acres	005-050-240, 005-380-020 (Parcel C)	C-1



2. Submittal Requirements

Submittal Overview

The Agency reserves all rights to amend or modify this RFQ, reject all proposals, extend any dates, or extend that deadline until responses are received.

All materials submitted during any part of the selection process become the property of the Agency. The respondent may designate portions of its submittals, which contain proprietary data as “confidential”, but the Agency cannot guarantee that it will be able to legally enforce such confidentiality.

The Agency shall not be responsible for any costs and/or obligations incurred by and/or on behalf of a potential developer in preparing, submitting or otherwise participating in any part this RFQ, the selection, documentation, or the development process in its entirety. The Agency reserves the right to request clarification or additional information from respondents. Information included in this RFQ is believed to be accurate, but should be independently verified by potential respondents prior to reliance upon.

Qualifications and Proposal Content

The Agency’s top priority is to select (a) development partner(s) for the Carter/Martin Site to design and build a residential development that has an affordable housing component consistent with Community Redevelopment Law, and that will be synergistic and supportive of the Cow Palace and Syufy properties as well as other nearby land uses. The evaluation criteria will consider a prospective developer’s recent experience in working on projects of similar size, scope and quality.

Respondents shall provide all of the information that follows in this Section. Once the Evaluation Committee has the opportunity to evaluate each response, some or all respondents may be invited to make specific project presentations and/or be invited for personal interviews.

Respondents selected to advance to interviews will be notified via email. Based on interview results, next steps may include, but not be limited to, additional submittals, financial references, and a preliminary LOI which would include a description of the proposed development, purchase price and terms, project delivery and performance benchmarks.

For the Submittal, at a minimum, please include the following information:

1. **Letter of Introduction** – Include a summary of the respondent’s basic qualifications, experience, past and current project experience of similar nature and size, and reasons



for interest in this opportunity. The letter must be signed by a principal or authorized officer including a statement that the officer may make legally binding commitments for the entity.

2. **Description of potential conceptual project** – Include sufficient detail and definition as to proposed development concept to give the Review Committee enough information to have an idea of what the final development could contain. Include information on proposed populations (including special needs populations) and Area Median Income (AMI) range to be served; community-serving uses; residential amenities; and development phasing. Supporting market data, concept plan, and collateral materials are encouraged to provide support for the proposed concept.
3. **Team Members** – Identify members of the development team and provide a brief description of each team member's role including the following:
 - Principals involved in the project.
 - Resumes of key team members.
 - A description of team member's proposed role and relevant experience with projects of similar nature and size and experience in and familiarity with development in Daly City or surrounding areas.
 - An organizational chart.
 - Designation of lead contact for the team.
4. **Relevant Project Experience** - A summary of current and previous experience of the team with regards to affordable housing development. As appropriate, this information should include a project description, photos or site plans if available, land uses, dates completed, developer role, cost/value, financing sources, duration of development processes, role of current employees in the project, and existing status as to ownership and leasing of current developments, % owned since project completion, and volume sold/leased. Additionally, please identify similar completed projects in the area that the can be visited, and provide a name and contact information as well.
5. **Project Approach** - A high level summary of the team's approach and anticipated timing related to planning, design, approvals, financing, phasing, development, construction, and operation. Provide examples of processes employed in other similar projects. The City's preference for conveyance structure is a fee simple sale. The RFQ response should identify the type of conveyance structure(s) typically preferred by and/or acceptable to the respondent.
6. **Financial Data** - A summary of the potential developer/development entity's capability to source the capital necessary to successfully fund and/or finance the proposed concept. Eventually, a description of the anticipated financing structure to be employed to finance the anticipated project and specific evidence will need to be provided to support proof of the ability to fund a project of this size.



7. **References** - An accurate list of no less than three references (name, title, entity, telephone number and contractual relationship to respondent) that may be contacted with respect to current and past project experience. Additionally, a reference list of and contact information for five to ten public sector elected officials and executive staff involved in the previous projects identified as examples of Relevant Project Experience.
8. **Litigation History with Public Agencies** – Provide information as to any litigation that any developer/development entity that comprises the overall team has had with public agencies over the last ten years.
9. **Letter of Support** – Provide Letter of Support from the adjacent property owners indicating willingness to collaboratively work with the developer to update the 2004 Cow Palace Master Plan.
10. **Community Engagement Process** – Provide a community outreach plan that describes the developer's overall philosophy and strategy for income and engaging the community during the development process.

Submittal Date

Please return RFQs for review by **Friday, September 13, 2019 at 5:00 p.m. Pacific Standard Time** to the contacts listed below. The Agency may continue to solicit qualifications beyond the above date if the City, in its respective sole determination, is not satisfied with the number and quality of submittals received.

Submittal Quantities and Contact

Please provide five (5) printed copies of the submittal and one (1) electronic version on a thumb drive, CD, or DVD to:

Betsy ZoBell, Housing and Community Development Supervisor
City of Daly City
Economic and Community Development Department
333 - 90th Street
Daly City, CA 94015



3. Evaluation Criteria, Procedures, and Tentative Timeline

Evaluation Criteria

The following criteria will be used as the primary basis for evaluating developer responses:

- **Experience:** Does this team possess the experience to deliver targeted development projects? (e.g. similar projects, nearby/similar markets, team member experience, litigation)
- **Concept:** Do the developer qualifications demonstrate the ability to meet the Agency's vision and purpose to provide for affordable housing?
- **Access to financial capital:** Does the team demonstrate knowledge of affordable housing financing, experience with affordable housing transactions, and access to capital? (e.g. evidence of financing, references)
- **Proposal Responsiveness:** Completeness, organization, timeliness, etc.

The order of presentation of the above criteria does not necessarily denote the specific importance of the same. Following in-person interviews, eventual selection of a preferred developer will be based on additional factors, such as LOI terms (e.g. financial structure, project valuation, initial financial pro forma), supportive market data, quality of design and development, fiscal impact to the Agency and other taxing entities, and as applicable, project/site components to be provided by the Agency. In its consideration of the response to this RFQ, the Agency may request additional information.

Award Procedures

1. Agency Staff will evaluate and rank responses to this RFQ based on which proposals best satisfy the objectives expressed by the Agency in this RFQ for recommendation to the Agency Board.
2. All respondents will be notified of evaluation results, particularly those firms that have been selected for in-person interviews. Agency Staff shall present the recommendations to the Agency Board with may conduct in-person interviews with developers before the final selection decision.
3. The Agency will pursue negotiations with the top-ranked respondent with the goal of entering into an Exclusive Negotiation Agreement ("ENA") within 90 days of selection. If a satisfactory ENA cannot be negotiated with that respondent, then the Agency will formally end negotiations with that respondent and may pursue negotiations with the respondent that next best satisfies the objectives and goals expressed by this RFQ, as determined by the Agency, or in its sole and absolute discretion proceed on alternative basis, or terminate process.



4. The purpose of the ENA will be to set out a time frame for the selected development team to provide a development proposal consisting of a scope of development acceptable to the Agency. Through the ENA process, the Agency will agree not to negotiate with any other developer regarding the Sites.
5. The Agency reserves all rights to modify or terminate the selection process, go outside of the selection process to select a developer, or not select a developer at all. This RFQ and selection process does not constitute any type of offer or creates no contractual or other liability to the Agency. There is no guarantee that a sale will be consummated, or that any project will be reviewed pursuant to this RFQ.

Tentative Timeline

- July 29 Release of RFQ
- September 13 Developer State of Qualifications (SOQ) due
- September 16-30 Review and analysis of SOQs
- October 7 Special Agency Board Meeting to interview developers
- October 14 Selection of Developer
- October 28 Consideration of ENA with selected Developer



4. Additional Documentation and Contact Information

An online directory has been established containing a link to the 2004 Cow Palace Master Plan:
link TBD

Prospective respondents should feel free to reach out to the City contacts included below for questions regarding this submittal. Thank you for your consideration.

City of Daly City

333 90th Street
Daly City CA, 94015

Tatum Mothershead
Director of Economic
& Community Development
Phone: (650) 991-8159
Email: tmothershead@dalycity.org

Rose Zimmerman
City Attorney
Phone: (650) 991-8122
Email: rzimmerman@dalycity.org

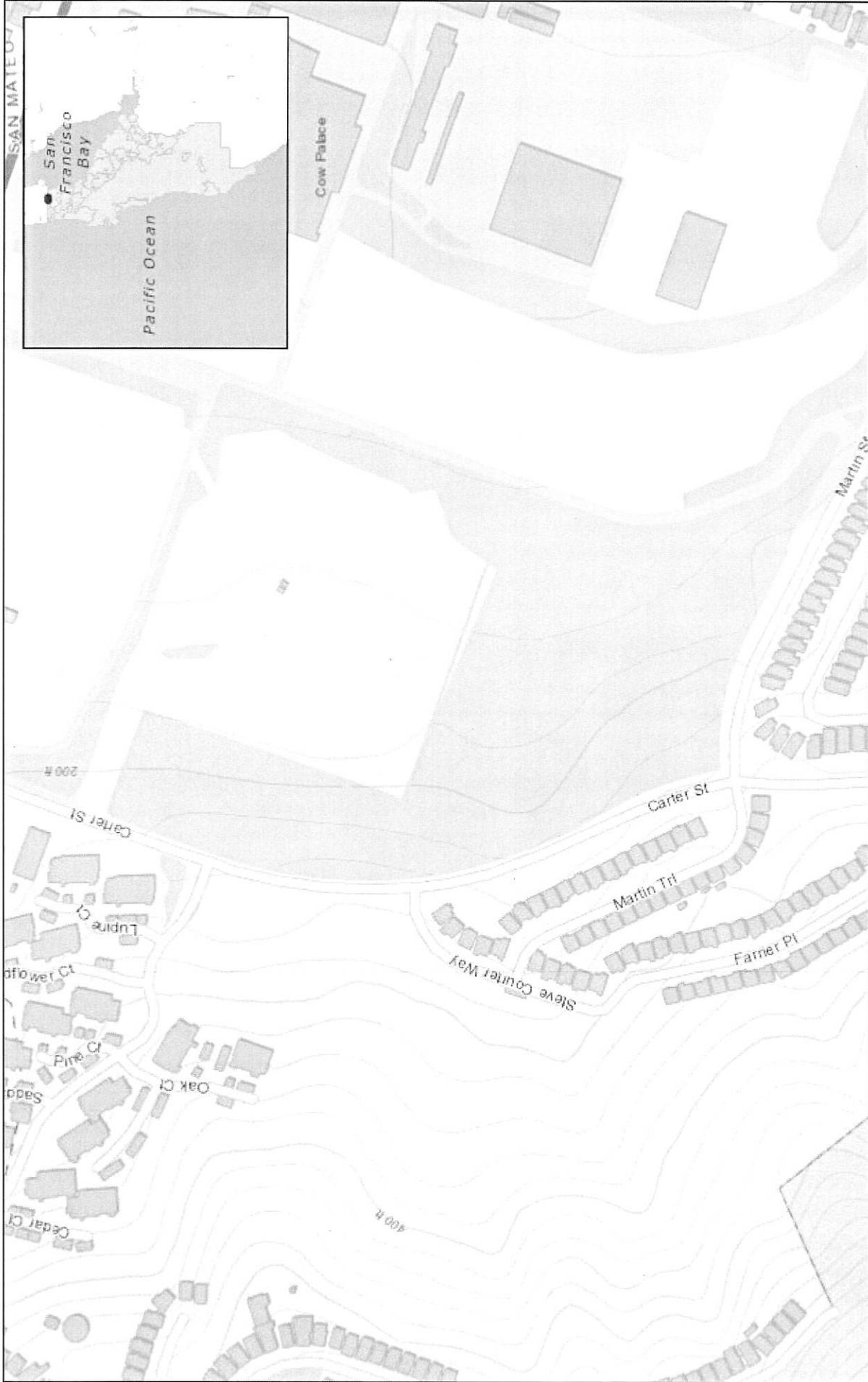




San Mateo County

San Mateo map

APN: 005-050-240



0.14 Miles
 0 0.07 0.14 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere
 © Latitude Geographics Group Ltd.

1:4,513



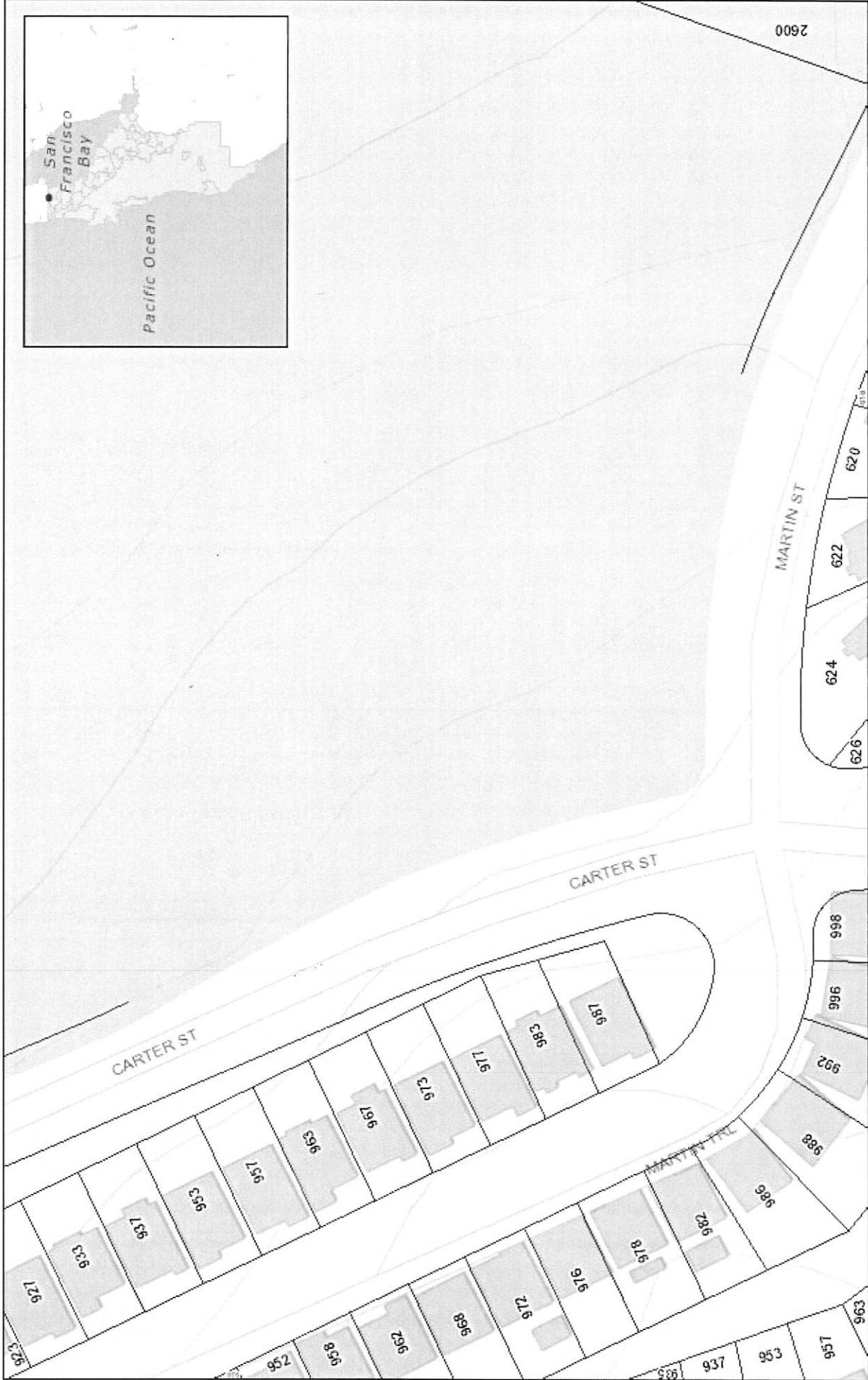
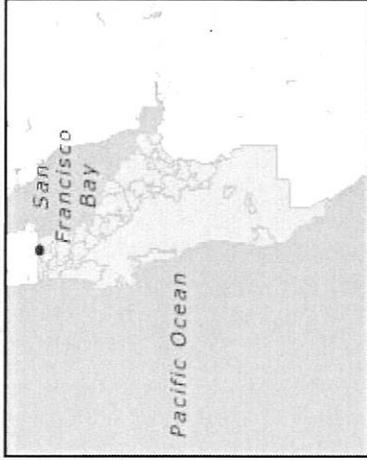
This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS NOT TO BE USED FOR NAVIGATION



San Mateo County

San Mateo map

APN: 005-380-020



0.04 Miles

0.02

0

0.04

WGS_1984_Web_Mercator_Auxiliary_Sphere
© Latitude Geographics Group Ltd.

1: 1,128



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS NOT TO BE USED FOR NAVIGATION