



**SECOND AMENDED REQUEST
FOR INTEREST FOR
AFFORDABLE HOUSING AND
PERMANENT SUPPORTIVE
HOUSING DEVELOPMENTS
(HOMEKEY AND/OR NO PLACE
LIKE HOME PROJECTS)**

Issue Date: October 4, 2021

**Deadline Date for Homekey and No Place Like
Home Projects: October 29, 2021 by 4:00pm**

The County will continue to accept non-Homekey and No Place Like Home Projects on a continuous submission basis. CDH reserves the right to close this RFI at a future date.

A. PURPOSE

The San Bernardino County Community Development and Housing Agency (CDH) is the lead County agency for various state and federal funds which are intended for the development of affordable housing units and/or reducing the number of persons experiencing homelessness. The County funding may include, but is not limited to, the sources listed below:

- Home Investment Partnerships Program (HOME)
- Permanent Local Housing Allocation (PLHA)
- Community Development Block Grant (CDBG) Program
- Emergency Solutions Grants (ESG) Program

CDH has developed a five-year housing investment strategy aimed at expanding the County's affordable housing pipeline and developing needed supportive housing for the County's chronically homeless or at risk of homelessness population.

This Second Amended Request for Interest (RFI) is designed to identify Homekey and No Place Like Home (NPLH) projects that will expand the inventory of housing units available to persons experiencing homelessness or at risk of homelessness throughout San Bernardino County. It is the intent of CDH to collaborate with partners that have "application-ready" projects that would strategically leverage local dollars to spur additional state and federal investment within the County. For more information from the State Housing and Community Development (HCD) website on both Homekey and NPLH, please see the link below:

Homekey - <https://homekey.hcd.ca.gov/>

NPLH - <https://hcd.ca.gov/grants-funding/active-funding/nplh.shtml>

CDH Program Objective:

This RFI is seeking innovative projects that utilize a variety of housing types and financial structures that will result in producing housing units that are responsive to the critical needs of the targeted population, reduce overall construction costs, and are sustainable.

The most competitive projects will include the following components:

1. **Development Team Experience:** The most successful proposals will have an identified team of agencies that have previous experience in developing, owning and operating projects similar to the proposed projects and serving the targeted population.
2. **Increase Available Inventory of Housing Units Designed for the Targeted Population:** Within this component, proposed projects will be evaluated on the following: 1) probability of securing all necessary entitlements; and 2) thoughtful site selection and project design that will meet the critical needs of the targeted population. The most successful proposers will have site control.
3. **Viable Financing Structure and Sustainability:** Proposers will be required to provide detailed pro forma documenting all committed and proposed project funding. The pro forma must include the following components: development cost budget (construction and permanent financing budgets), affordable rental information, annual operating subsidy and expenses, a

cash flow analysis. All pro formas will be evaluated based upon industry standard costs, compliance with the proposed funding requirements, and the ability to leverage County resources. In addition, the identified developer member of the development team must provide financial statements for the past two years.

4. **Reduced Total Project Development Cost Through Innovation:** A critical component to increase the inventory of affordable housing units is reducing the overall project development costs through innovation in construction and/or financing. It is anticipated that projects may utilize the following more cost-effective approaches to reduce overall total project development costs such as, but not limited to:
 - Housing Typology
 - Tiny Homes
 - Accessory Dwelling Units
 - Construction Method
 - Prefabricated Modular Housing
 - Shipping Containers
 - Innovative Approaches
 - Motel Conversions
 - Shared Housing
 - Creative Financing Tools/Structure.
5. **Experience in Serving the Targeted Population and Development Experience:** Successful proposers are required to document their experience in serving the targeted population, including developing, owning, and operating affordable housing units.

B. CDH GENERAL CONTRACT TERMS AND CONDITIONS

1. CDH public-private agreement precepts:

- Demonstrate a sound knowledge of all proposed funding sources and certify compliance with all regulatory requirements associated with all proposed funding.
- Provide a detailed pro forma that documents the financial viability and long-term sustainability in compliance with all the proposed funding sources.
- Demonstrate the qualification of all team members to perform the duties to successfully bring the proposed project to completion and serve the targeted population.
- Support the County's efforts to increase the inventory of housing units for the targeted population, assist with meeting Regional Housing Needs Assessment (RHNA) requirements, and comply with the core components of Housing First.
- Clearly identify the financial commitment requested and the proposed terms of the assistance from the County.
- Provide a timeline with key milestones from bringing the project from a vision to completion. Timeline will include all required entitlements, permits, environmental clearances, board or

governing body approvals, financing approvals, and certificate of occupancy.

- Identify all financial or other resources that have been or will be committed to the project.
- Certify that the project will comply with California's prevailing wage law and indemnify the County.

2. Additional County terms and conditions

CDH staff will review all projects to ensure the long-term sustainability of the project and that the proposed project meets general industry standard underwriting requirements. The following are a list of County underwriting practices, this list is not comprehensive, and all of the standards and practices may not apply to Homekey projects:

- For all tax credit funded projects, the County imposes a hard cap of \$1.8 Million on the developer fee unless the complexity of the project warrants otherwise (e.g., larger community benefit projects, projects including a library or park, etc.). Some of the developer fee may be deferred. If proposing a 4% Low Income Housing Tax Credit (LIHTC) projects, any additional developer fee above \$1.8 Million must be contributed as equity or a capital contribution.
- The County's standard interest rates on all loans in 3%.
- Debt Service Coverage Ratio needs to be at least 1.15, however if the Project has limited cash flow, then it will need to increase the Ratio to ensure repayment during the loan term.
- County standard is that all projects have adequate Capital and Operating Reserves.
- Residual receipts estimates should assume a 50/50 split.
- An annual County monitoring fee will be included, as the County is required to perform physical systems checks and unit monitoring. Cost of compliance with State or Federal wage rates are borne by the project.
- All projects will be reviewed based upon the funding sources provided for compliance with the affordability term required.
- The County generally does not subordinate the Regulatory Agreement. However, the County may, at its sole and absolute discretion, choose to subordinate the Deed of Trust if specific conditions are satisfied.
- In considering the units assisted by the County (as compared to the units in the entire development), the County may elect, at its sole and absolute discretion, to restrict up to 100% of the units in the Regulatory Agreement, deed restrictions, and/or Promissory Note.
- The County will not waive any requirements associated with Payment and Performance Bonds.

PLEASE NOTE: The County reserves the right to modify any of the above underwriting practices to comply with local, state, and federal requirements for any of the proposed funding sources that will be utilized for the proposed project.

C. Evaluation Criteria:

Applications will be evaluated based upon the following evaluation criteria:

<p>Application Scoring Categories and Maximum Point Scores (100 Points Maximum)</p>	<p>Evaluation Criteria</p>
<p>1. Development Team Experience (Up to 15 points)</p>	<p>Development Team Experience – (Up to 15 points)</p> <ul style="list-style-type: none"> A. Previous Experience Securing State Housing Resources B. Positive Relationship with the Public Sector C. Financial Wherewithal D. List of Affordable Housing Portfolio, including size of projects and funding sources E. Condition of Existing Assets
<p>2. Readiness to Proceed (Up to 25 points)</p>	<p>Readiness to Proceed – (Up to 25 points)</p> <ul style="list-style-type: none"> A. Environmental Approval: Completion of all necessary environmental clearances (California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA)), and completion of a Phase I Environmental Site Assessment and Phase II Environmental Assessment, if necessary. (Up to 10 points) B. Discretionary Approval: Obtaining all necessary and discretionary public land use approvals except building permits to the extent such approval is required (Up to 15 points) <p>For any projects that do not require the above sections, full points will be given with adequate supporting documentation verifying exemption from the above sections.</p>
<p>3. Project Concept (Up to 10 points)</p>	<ul style="list-style-type: none"> A. Target Population. Detailed description of the targeted population that will be served and documentation of past experience serving the targeted population B. Unit Mix and Affordability Mix. Detailed description of the proposed unit mix, income limits, and restricted rental amounts by unit. C. Detailed Project Description D. Description of either the Innovative Housing Typology utilized or other innovation that will reduce overall project costs.
<p>4. City/County Support</p>	<p>Requirements for projects located within incorporated cities (Up to 15</p>

<p>(Up to 15 points)</p>	<p>points)</p> <p>A. Describe City Staff Role and Awareness of Project.</p> <p>B. Describe City Council Communications and Project Awareness</p> <p>C. If City support has not been obtained, but is in the right zoning (5 points maximum)</p> <p>Requirements for projects located within unincorporated areas of the county (Up to 15 points)</p> <p>A. Proposed project is compatible with existing zoning.</p>
<p>5. Site Control (Up to 20 points)</p>	<p>A. Site is currently owned by a member of the development team (20 points)</p> <p>B. Development Team has a lease agreement that exceeds the term of the affordability term for Homekey and/or No Place Like Home (20 points)</p> <p>C. Development Team has a signed purchase and sale agreement, or other binding agreement for site control (15 points)</p>
<p>6. Financing Strategy (Up to 15 points)</p>	<p>Pro Forma/Committed Funding Sources/Proposed Funding Sources (Up to 15 points)</p> <p>A. Detailed pro forma documenting the following components: development cost budgets (construction and permanent financing budgets), affordable rental information, annual operating subsidy, annual operating expenses, a cash flow analysis. The annual cash flow must document compliance with the affordability levels and term of the proposed funding.</p> <p>B. Funding Letter showing all committed and proposed funding for the project and the timeline to secure all proposed funding (Up to 5 points).</p> <p>C. Funding Request Letter Stating the Estimated Full Funding Request from the County that is required for the project to proceed</p> <p>All pro formas will be reviewed to ensure that costs are reasonable based upon industry standard, maximize leverage of County funding, and proposer has a competitive project for Homekey and/or No Place Like Home.</p>

An RFI checklist has been provided and must be included as part of the submission package.

All respondents will receive a letter from the County indicating that the proposal has been received within five business days of receipt.

Upon the close of the submission deadline, an evaluation review committee will evaluate all responses to this RFI based upon the scoring criteria listed above. The evaluation committee may seek outside

expertise from consulting firms under contract with the County to assist in evaluating all proposals.

The successful proposer shall be selected by the following process:

1. An evaluation committee will be appointed to evaluate all submitted written proposals.
2. The committee will score the proposals based on the information submitted according to the evaluation criteria and point factors.
3. The committee will require a minimum of 10 working days to evaluate and score the proposals.
4. A short list of proposers may be selected to work with the County to submit a formal application for various state and federal programs for the targeted population. CDH reserves the right to increase or decrease the number of proposers on the short list depending on whether the proposers have a reasonable chance of being awarded a contract.

CDH reserves the right to approve one or multiple proposals. Following the evaluation, CDH may select one of these options:

1. Approval of one or multiple proposals.
2. Request additional information from the proposer(s); or
3. Reject the proposal(s).

All respondents will be provided with a formal letter regarding the outcome of the scoring of their proposal.

This RFI is in no way an agreement, obligation, or contract between the County and any applicant

D. Request for Interest Submission:

- **This Second Amended RFI has a deadline submission date of October 29, 2021 by 4:00pm Pacific Standard Time.**
- The County will provide the results of the evaluation within 10 days
- County will continue to receive proposals for project that are seeking not seeking Homekey and NPLH
- **All proposals must include the RFI checklist/questions form as part of the proposal**
- All proposals must be submitted electronically by the deadline submission date to the following email address: Info@cdh.sbcounty.gov

Submit questions and proposals to:

County of San Bernardino Community
Development and Housing (CDH)
Attn: Homeless RFI
385 North Arrowhead Avenue, 3rd Floor
San Bernardino, CA 92415
Phone (909) 387-4700
Email: (Info@cdh.sbcounty.gov)

SAN BERNARDINO COUNTY RFI REQUIRED CHECKLIST/QUESTIONS

This RFI requires proposers to provide the following forms and this checklist must be included as part of the submittal package:

Project Name: _____

City/Developer Name: _____

Authorized Person: _____

Signature of Authorized Person: _____

Application Scoring Categories and Maximum Point Scores (100 Points Maximum)	Evaluation Criteria
General Information	<input type="checkbox"/> Cover Letter, which must include the following information: A. RFI Title B. Name(s) of person(s) authorized to represent the Proposer in any agreement negotiations and execution, contact information (street address, phone, and email address) C. Detailed description of level of assistance requested from the County including requested financial contribution, if any.
1. Development Team Experience (Up to 15 points)	<input type="checkbox"/> Development Team Experience – (Up to 15 points) A. Previous Experience Securing State Housing Resources B. Positive Relationship with the Public Sector C. Financial Wherewithal D. List of Affordable Housing Portfolio, including size of projects and funding sources E. Condition of Existing Assets

<p>2. Readiness to Proceed (Up to 25 points)</p>	<p><input type="checkbox"/> Readiness to Proceed – (Up to 25 points)</p> <p>A. Environmental Approval: Completion of all necessary environmental clearances (California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEAP)), and completion of a Phase I Environmental Site Assessment and Phase II Environmental Assessment, if necessary. (Up to 10 points)</p> <p>B. Discretionary Approval: Obtaining all necessary and discretionary public land use approvals except building permits to the extent such approval is required (Up to 15 points)</p> <p>For any projects that do not require the above sections, full points will be given with adequate supporting documentation verifying exemption from the above sections.</p>
<p>3. Project Concept (Up to 10 points)</p>	<p><input type="checkbox"/> Project Concept (Up to 10 points)</p> <p>A. Target Population. Detailed description of the targeted population that will be served and documentation of past experience serving the targeted population</p> <p>B. Unit Mix and Affordability Mix. Detailed description of the proposed unit mix, income limits, and restricted rental amounts by unit.</p> <p>C. Detailed Project Description</p> <p>D. Description of either the Innovative Housing Typology utilized or other innovation that will reduce overall project costs.</p>
<p>4. City/County Support (Up to 15 points)</p>	<p><input type="checkbox"/> City/County Support (Up to 15 points)</p> <p>Incorporated Cities: Requirements for projects located within incorporated cities (Up to 15 points)</p> <p>A. Describe City Staff Role and Awareness of Project.</p> <p>B. Describe City Council Communications and Project Awareness</p> <p>C. If City support has not been obtained, but is in the right zoning (5 points maximum)</p> <p>Unincorporated Areas: Requirements for projects located within unincorporated areas of the county (Up to 15 points)</p> <p>A. Proposed project is compatible with existing zoning.</p>
<p>5. Site Control</p>	<p><input type="checkbox"/> Site Control (Up to 20 points)</p>

<p>(Up to 20 points)</p>	<ul style="list-style-type: none"> A. Site is currently owned by a member of the development team (20 points) B. Development Team has a lease agreement that exceeds the term of the affordability term for Homekey and/or No Place Like Home (20 points) C. Development Team has a signed purchase and sale agreement, or other binding agreement for site control (15 points)
<p>6. Financing Strategy (Up to 15 points)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Financing Strategy (Up to 15 points) A. Detailed pro forma documenting the following components: development cost budgets (construction and permanent financing budgets), affordable rental information, annual operating subsidy, annual operating expenses, a cash flow analysis. The annual cash flow must document compliance with the affordability levels and term of the proposed funding. B. Funding Letter showing all committed and proposed funding for the project and the timeline to secure all proposed funding (Up to 5 points). C. Funding Request Letter Stating the Estimated Full Funding Request from the County that is required for the project to proceed <p>All pro formas will be reviewed to ensure that costs are reasonable based upon industry standard, maximize leverage of County funding, and proposer has a competitive project for Homekey and/or No Place Like Home.</p>

RFI MANDATORY QUESTIONS

(Must be included with proposal)

GENERAL PROJECT DESCRIPTION INFORMATION

1. Is Project a Scattered Site Project: Yes No
2. Project Location(s) (Street Address and APN): _____
3. Site Acreage: _____
4. Number of Units (After Project Completion): _____

5. Project Type:

<input type="checkbox"/> New Construction	<input type="checkbox"/> Acquisition and/or Rehabilitation	<input type="checkbox"/> Motel Conversion
<input type="checkbox"/> Master Leasing	<input type="checkbox"/> Interim Housing to Permanent	<input type="checkbox"/> Interim Housing
<input type="checkbox"/> Shared Housing/Scattered Site	<input type="checkbox"/> Other: _____	

6. Targeted Population (Please check all that apply):

Homeless or At-Risk of Homelessness- Subcategory

- | | | |
|---|--|-----------------------------------|
| <input type="checkbox"/> Chronically Homeless | <input type="checkbox"/> Veterans Homeless | <input type="checkbox"/> Homeless |
| <input type="checkbox"/> At-risk Youth | <input type="checkbox"/> Domestic Violence | <input type="checkbox"/> Families |

Income Target – Sub-Category

- | | |
|--|---|
| <input type="checkbox"/> Extremely Low-Income (30% of AMI) | <input type="checkbox"/> Very Low-Income (50% of AMI) |
| <input type="checkbox"/> Low-Income (80% of AMI) | |

Other Targeted Tenants – Sub-Category

- | | | |
|--|--|---|
| <input type="checkbox"/> At-risk and former foster youth | <input type="checkbox"/> LGTBQ+ youth | <input type="checkbox"/> People living with HIV |
| <input type="checkbox"/> Senior | <input type="checkbox"/> Veterans | <input type="checkbox"/> Essential farmworkers |
| <input type="checkbox"/> Families | <input type="checkbox"/> Native American communities | <input type="checkbox"/> People with disabilities |
| <input type="checkbox"/> People experiencing racial and economic disparities | | |

7. Proposed State Funding (Homekey and/or No Place Like Home)

a. Homekey <input type="checkbox"/> Yes <input type="checkbox"/> No	b. No Place Like Home <input type="checkbox"/> Yes <input type="checkbox"/> No
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8. Length of Affordability Period: _____

9. Total Project Costs

Activity	Costs
Acquisition	
Construction/Rehabilitation	
Total Costs	

10. Was the construction/rehabilitation budget calculated using prevailing wage rates? Yes No

a. If no, please identify the prevailing wage exemption for the project: _____

(Please note: All proposers are encouraged to consult with their legal counsel regarding prevailing wage exemptions and applicability to the proposed project.)

11. Proposed Funding Sources

Funding Source	Amount	Committed/Proposed (Please indicate date of commitment or estimated date) *	Past Experience (Yes or No)
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

*If funds are committed, please provide lender(s) commitment letter(s)

12. Project Timeline

Key Milestones	Estimated Date of Completion
Site Control/Acquisition Complete	
Entitlements	
All Proposed Funding Secured	
Construction Start Date	
Construction Completion Date	
Lease-Up Completion Date	

PROPOSED COUNTY ROLE

13. Lead Applicant for State Funds: Yes No

14. Requested County Funding Amount

a. Total Capital Funds: \$ _____

b. Total Operating Funds: \$ _____

i. Annual Amount of Operating Subsidy Requested: \$ _____

ii. Number of Years of Operating Subsidy Requested: _____

15. Describe existing condition of proposed site:

16. Does site have existing buildings: Yes No

a. If yes, provide year-built information: _____

b. If yes, do the existing buildings have tenants? Yes No

i. If existing buildings have tenants, will the tenants be required to be relocated?
 Yes No

ii. If yes, please provide relocation plan and budget for estimated costs

17. The above information is true and correct to the best of my knowledge.

Name of Person/Title

Date

Signature