

County of Santa Clara

Office of Supportive Housing

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November 9, 2020

TO: Honorable Members of the Board of Supervisors
Jeffrey V. Smith, County Executive

FROM: Consuelo Hernandez, Acting Director, Office of Supportive Housing

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SUBJECT: Affordable and Supportive Housing Development on County Properties

Under advisement from the February 11, 2020 (Item No. 13), June 23, 2020 (Item No. 39), and October 20, 2020 (Item No. 81) Board of Supervisor's meeting, this memorandum responds to inquiries from the Board regarding the development of affordable housing on various County-owned, County-controlled, or County-affiliated properties, collectively "County properties." These include properties in which the County retains a controlling interest, such as a long-term ground lease and a right to develop. In some instances, the County may have established a partnership with another government entity or academic institution and the parties have agreed to jointly develop the property.

On June 23, 2020 (Item No. 39), the Office of Supportive Housing (OSH) presented five strategies to accelerate the production of housing eligible for Housing Bond funds. One strategy was to establish a Developer Qualified Pool (Developer QP) and to select firms from the Developer QP to develop affordable and supportive housing on County-owned land. The Developer QP consists of experienced developers that are aligned with the County's goals of increasing affordable housing for Santa Clara County's most vulnerable and poorest residents. Attachment A lists developers in the Developer QP. For each County property the Board approves for development, the Administration would issue Request for Offers (RFOs). Only firms in the Developer QP may respond to RFOs.

RFO Process

The following summarizes the proposed steps in the solicitation process:

Step 1: Administration would submit off-agenda reports advising the Board of its intention to issue an RFO for specific properties. These properties would have already been identified for housing development through previous reports or through Board referrals. Administration's reports would give the Board an opportunity to raise concerns at a subsequent Board meeting, if so desired. RFOs could be postponed, cancelled, or modified, if necessary. In the event Administration identifies a County property with development potential, but the Board has not yet had an opportunity to discuss the redevelopment of that property, Administration would prepare an on agenda report for the Board's consideration prior to including the property in an RFO.

Step 2: Administration would issue an RFO for specific properties inviting firms in the Developer QP to submit proposals. Each property could have different development requirements. For example, a property may have to serve a specific population, such as survivors of intimate partner violence.

Step 3: An evaluation panel consisting of various County staff would identify the most qualified responses to an RFO. The selection panel would review all qualified responses and preliminarily score each qualified submittal. If appropriate, the selection panel would then interview the highest scoring respondents, soliciting additional information regarding the major characteristics of their proposals.

Step 4: Following the interviews, the selection panel would rank the respondents and present its ranking to the County Executive, or designee.

Step 5: The County Executive, or designee, would select a development team or teams for each property included in the RFO. Administration would negotiate development agreements for each property in accordance with the terms of the RFO.

Step 6: Administration would prepare recommendations for each property and development team(s). The Board would consider Administration's recommendations, which would include the creative solutions developers may have proposed to address a critical County need. Based on Board direction, the Administration would enter into development agreements or exclusive negotiating agreements with the selected developer(s).

Round 1 Properties

Administration would issue RFOs for the following four County properties.

- East Santa Clara Street Site, San Jose: On August 13, 2019, the Board approved the East Santa Clara Street Master Plan. The Santa Clara County Housing Authority (SCCHA), the County's partner in the master planning process, is planning to develop approximately 300 units of affordable housing on the SCCHA-owned land at the site. The Board approved the Master Plan with the direction to maximize the housing on the County-owned land beyond the approximately 300 units in the draft master Plan, in a multi-income development. The site could also include an LGBTQ-friendly senior housing development.
- 1510-1540 Parkmoor Avenue, San Jose: The future location of the Hub for current and former foster youth was selected for its access to transit and other services, making it also ideal for housing for current and former foster youth. Current and foster youth are a vulnerable population specifically mentioned in the 2016 Measure A Affordable Housing Bond. On December 17, 2019, the Board directed the Administration to proceed with exploring housing options and the Hub.
- 525 Charleston Road, Palo Alto: The site is approximately .75 acres and adjacent to a church, park, and several schools. On February 11, 2020, the Board directed Administration to develop options for housing development, including housing for extremely low income and very low-income persons with development disabilities.
- 330 Distel Circle, Los Altos: The site is 0.87 acres. The Board adopted a resolution authorizing acquisition of the property to develop affordable and supportive housing. The Purchase and Sale

Agreement is contingent on the County's due diligence review of the property and the potential development, including a commitment from the City of Los Altos to entitle the Project. On November 19, 2020, the Housing, Land Use, Environment, and Transportation Committee will review a Memorandum of Understanding between the County and the City of Los Altos that describes this partnership.

Timeline for Round 1 RFOs

Administration expects to release the first RFOs the week of November 16, 2020. Assuming there are acceptable proposals, the Board would consider recommendations in February or March 2021.

Background

On September 4, 2019, OSH issued a Request for Qualifications (RFQ) in search of qualified housing developers interested in developing permanent affordable and supportive housing on County-owned, County-controlled, or County-affiliated properties (e.g., properties owned by other public agencies and co-developed by the County). The goal of the RFQ is to maximize the supportive and ELI units on subject sites. However, the County solicited developers with the capacity to develop projects of various types (i.e., varying income levels, unit types, rental and for-sale, and mix of uses) because not all properties may be optimal for supportive housing.

Proposals were due on October 22, 2019, and a five-person Evaluation Committee convened to evaluate proposals on February 26, 2020. Responses were evaluated based on development experience, mission alignment with the County, developer qualifying project count, developer capacity, and local preference. Eighteen proposals were submitted. Twelve developers have been placed in the Developer QP and four others may be invited to participate in an RFO depending on the number and quality of proposals submitted by the other 12 developers.

CC: Chief Board Aides
Miguel Márquez, Chief Operating Officer
Ky Le, Deputy County Executive
James Williams, County Counsel
Megan Doyle, Clerk of the Board

Attachment A
Developer Qualified Pool

Due to their successful demonstration of qualifications through capacity, expertise, and alignment with County priorities, the following vendors are placed in the Qualified Pool and invited to participate in future Request for Offers (RFOs).

1. Affirmed Housing Corporation
2. Allied Housing
3. Charities Housing Development Corporation of Santa Clara County
4. EAH Inc.
5. Eden Housing
6. First Community Housing
7. Jamboree Housing Corporation
8. MidPen Housing Corporation
9. PATH Ventures
10. Resources for Community Development
11. Satellite Affordable Housing Associates
12. The Core Companies

If the County does not receive sufficient or adequate proposals from the aforementioned vendors, the County may invite the following vendors to participate in the RFO processes.

1. Bill Wilson Center/Community HousingWorks
2. Palo Alto Housing Corporation
3. Related Companies of California
4. UHC H4, LLC