

CITY OF EL SEGUNDO



**REQUEST FOR QUALIFICATIONS
FOR AN AFFORDABLE HOUSING SERVICES PROVIDER
(INCLUDING DEVELOPMENT AND MANAGEMENT OF AFFORDABLE HOUSING UNITS)**

RFQ Due Date: November 9, 2020 at 3:00 pm

**RFQ Administrator: Paul Samaras, Principal Planner
Email: psamaras@elsegundo.org**

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EXHIBIT

Exhibit A: Notice of Intent to Respond

I. INTRODUCTION

A. BACKGROUND

On June 16, 2020, the El Segundo City Council authorized preparation of a Request for Qualifications (RFQ) seeking an affordable housing services provider to assist in the development and management of affordable housing units and services within the City. The selected respondent will assist the City in fulfilling its affordable housing needs as defined in the State of California's Regional Housing Needs Assessment (RHNA) goals.

For reference purposes, the City's RHNA allocation for the planning period of January 1, 2014 to October 31, 2021 is 69 units. Based on current projections, the City's RHNA goal for the next eight year cycle is anticipated to be in the range of 500 units. In addition to meeting its RHNA affordable housing production goals, the City has established the following five overarching housing goals:

1. Preserve and protect the existing affordable housing stock;
2. Provide sufficient new, affordable housing opportunities in the City to meet the needs of groups with special requirements, including the needs of lower and moderate-income households;
3. Provide opportunities for new housing construction and rehabilitation of existing units in a variety of locations and densities to achieve a diversity of housing;
4. Remove constraints on housing development, as necessary; and
5. Promote equal housing opportunities including ownership and rental housing.

The 2014-2021 Housing Element was adopted in January 2014 and is in compliance with State law. The Housing Element can be found on the City's website:

<https://www.elsegundo.org/Home/ShowDocument?id=348>

B. COMMUNITY PROFILE

Located in the south bay region of Los Angeles County, El Segundo is located approximately 19 miles southwest of Downtown Los Angeles. Incorporated on January 18, 1917, the El Segundo covers a land area of approximately 5.5 square miles. The residential population is 16,700 with a considerably larger daytime population of over 70,000 people due to the robust workforce. El Segundo has a diverse and thriving business base, serving as the headquarters for major aerospace, technology, media, and health care firms. El Segundo benefits from its proximity to the larger southern California economy, and is well served by several major freeways and nearby LAX airport.

Historically, less than 25% of the land within El Segundo has been used for residential development, with remaining land used primarily for a mixture of light and heavy industrial purposes, manufacturing, retail, hotels, and creative office. A total of 335 acres are designated for residential or commercial mixed use development, which affects the supply of land available for housing development. The City's most recent RHNA allocation indicated the need for affordable housing for lower income households, particularly those with special needs including senior citizens, large households, extremely low-income households, households with military personnel, households with persons who have disabilities (including developmental disabilities), and the homeless.

C. DESCRIPTION OF THE OPPORTUNITY

Qualified respondents will have experience developing, managing and operating high quality, affordable rental housing projects. That experience should include a track record of successfully obtaining outside affordable housing assistance funding, and complying with federal, state and local affordable housing occupancy and reporting requirements.

The chosen team will work closely with the City to assist in the following:

1. Developing a strategic plan for producing affordable housing units to assist the City in fulfilling future Regional Housing Needs Assessment (RHNA) goals;
2. Identifying properties with the potential for affordable housing development, and existing rental projects that may be suitable for acquisition, rehabilitation and conversion to deed-restricted affordable housing projects; and
3. Assisting in the ongoing monitoring and administration of affordable housing units that are produced in El Segundo.

The City currently has approximately \$5.3 million in available funding to initiate the affordable housing development process. The City also anticipates receiving additional funding over the next several years from in-lieu fee revenues generated by projects that are subject to Development Agreements. These funds are to be considered the City’s contribution to the project(s), and the respondent would be expected to seek additional gap financing from other federal, state and local programs, banks and/or private investors.

The City owns the 97-unit Park Vista senior citizen housing project, which is restricted to low and moderate income households. The respondents chosen through this RFQ process may be tasked with effectively managing this property, whether in-house or through a qualified third-party property management company. The City may also potentially offer to sell this project to the selected respondents.

D. RFQ TIMELINE

The pertinent actions and due dates related to this RFQ are as follows:

RFQ Release Date	September 8, 2020
Notice of Intent to Respond Form Due Date	October 7, 2020
Deadline for Written Questions	October 15, 2020 at 3:00 pm
Release of Final Responses to Written Questions	October 29, 2020
RFQ Submittal Deadline	November 9, 2020 at 3:00 pm

II. THRESHOLD REQUIREMENTS

The City is inviting respondents committed to providing and operating affordable housing to submit a proposal demonstrating their qualifications and interest in providing affordable housing in El Segundo. Respondents that can demonstrate the experience, capability, and creativity to successfully undertake this opportunity are invited to respond to this RFQ by outlining their:

1. Relevant experience in the development and management of affordable housing, with preference given to teams who have experience working in Southern California;

2. Financial capabilities, including experience in application to and participation in federal, state, regional, and/or local affordable housing funding programs;
3. Experience and capacity to conduct income verification and screening of tenants to ensure ongoing compliance with income and affordability restrictions; and
4. Any other information that will enhance the City’s ability to evaluate the respondent.

Eligible applicants under this RFQ may include one entity or a team of several entities, including any of the following: for profit housing developers; nonprofit housing developers; joint ventures; and limited or general partnerships. Applicants that include several entities must identify a lead entity that has demonstrated experience and capacity in the development, management and administration of affordable housing projects.

III. SUBMISSION REQUIREMENTS

The RFQ is the City’s first step in evaluating respondents’ interest in the opportunity to develop, manage and administer affordable housing in El Segundo. The RFQ response should express the respondent’s interest, vision, and capability to produce affordable housing units and to assist in administering the City’s affordable housing assets. Concise and focused responses are encouraged. Responses to this RFQ must not exceed a total of 30 pages using a minimum 11 point font size.

The submittal must include each of the following elements:

A. SUBMITTAL COVER SHEET

The submittal cover must include the following information:

1. RFQ title;
2. Submittal due date; and
3. Identification of the respondent including the name, address, telephone number, and email address of the principal contact for the respondent.

B. TABLE OF CONTENTS

A table of contents must be provided that includes corresponding headings and page number to allow for easy reference by the City's evaluation committee.

C. COVER LETTER

The cover letter should be brief, and it must clearly identify the respondent's principal contact, including physical address, email address, and telephone number. The cover letter must include a statement verifying that the respondent will agree to adhere to the minimum income and affordability standards identified in this RFQ. The signatory must be an individual with legal authority to bind the respondent.

D. HOUSING SERVICES PROVIDER

1. Identify the lead entity that would enter into an agreement with the City, and any other known team members. Indicate the form of legal entity of the proposed ownership (e.g. limited partnership, nonprofit corporation, general partnership, joint venture, for profit corporation) and any relationship the development organization(s) may have with a parent corporation, joint ventures or other entities.
2. For each firm included in the respondent's team, briefly describe its role, relevant experience, and specialization. Highlight each firm's experience providing services in Southern California.
3. Identify the project manager and personnel that will be implementing development concepts through day-to-day management, and their level of experience and responsibility.
4. Provide resumes for each of the project managers and key staff members that will be providing services to the City.

E. DEVELOPMENT & MANAGEMENT EXPERIENCE

1. Provide information for no fewer than three and no more than five recently completed affordable housing projects. The City prefers examples of projects that are underway or were completed within the past ten years. Provide the following information for each project:

- a. Project description and location;
 - b. Project scope, including size and number of units;
 - c. Project completion date and length of time to complete;
 - d. Population(s) served;
 - e. Management and tenant services arrangements;
 - f. Project amenities and services;
 - g. Level of affordability; and
 - h. Description of financing sources
2. Describe any projects currently in the development pipeline, including project description, completion date, population(s) served, level of affordability and financing sources.
 3. Describe the respondent's property management and affordability compliance experience with Low Income Housing Tax Credits, regulatory agreements, and other applicable state and federal rules and regulations. Provide a description of the current asset management structure, staffing and portfolio.
 4. Outline the respondent's process that will be applied to ensure high quality property management and project operations throughout a project's income and affordability covenant period.
 5. Indicate if the respondent(s) has/ have experience working on projects in jurisdictions similar to El Segundo.
 6. Provide additional information regarding each firm in the respondent's team including:
 - a. The length of time in business;
 - b. The firm's ownership structure;
 - c. The location of the principal offices; and
 - d. The identification of the office that would undertake the proposed services.

F. FINANCIAL CAPABILITY

1. Provide a narrative that identifies the respondent's capacity and financial strength to secure the equity and financing required to develop affordable housing projects.
2. Provide contact information for the debt, equity, and public financial assistance sources that were used to fund the costs associated with affordable housing projects identified in the previous section of this RFQ (Section E).
3. Provide financial statements for the lead entity for the past two years that were independently prepared in accordance with generally accepted accounting principles.¹
4. Disclose if any member of the respondent's team has ever defaulted on its financial obligations, has had developments that were foreclosed upon, or if bankruptcy has ever been filed.
5. Identify any legal actions taken against any member of the respondent's team in the past five years, including fair housing violations.

G. POTENTIAL CONFLICTS OF INTEREST

Disclose if any member(s) of the respondent's team staff, board of directors, or other governing body is or has been any of the following within the past two years:

1. A City of El Segundo employee or consultant.
2. A City of El Segundo Councilperson.
3. A Board or Commission member who has direct influence on the use of public funding.

IV. RFQ SUBMITTAL & QUESTIONS

Unless otherwise indicated in this RFQ, the point of contact for the City is

Paul Samaras at: psamaras@elsegundo.org

¹ The financial statements can be submitted to the City Attorney under separate cover. The financial statements do not count towards the page limit imposed by this RFQ.

Respondents must submit one electronic version (pdf format) via email to: psamaras@elsegundo.org no later than 3 p.m., MONDAY, NOVEMBER 9, 2020. Responses to this RFQ must not exceed a total of 30 pages using a minimum 11 point font size.

The submissions must have the following description in the subject line of the email:

City of El Segundo Request for Qualifications

Affordable Housing Services

Incomplete submittals, incorrect information, or late submittals shall be cause for disqualification.

Responses in any form other than a pdf submitted via email will not be accepted.

Questions regarding this RFQ must be submitted by email prior to 3:00 pm on October 15, 2020. Please submit all questions via email to Tina Gall at tgall@elsegundo.org. For questions submitted before the deadline, the City will provide final written responses by October 29, 2020 to all parties that have timely filled out and submitted the Notice of Intent to Respond form attached as Exhibit A to this RFQ.

V. SELECTION PROCESS & CRITERIA

Respondents will be evaluated on the strength and experience of the respondent’s team, the team’s capability to manage and operate the City’s existing assets, and capacity to create new affordable housing while meeting the City’s regional housing goals. The City has assigned the following point system to the specific evaluation criteria:

Criteria	Maximum Points
Development Experience	40
Financial Capability	30
Management & Administration Experience	30
Total	100

The City’s selection process will consist of two phases. The first phase will involve the identification of a shortlist of respondents based on the identified selection criteria. The second phase will involve

interviews, if necessary, of each of the shortlisted teams with the City's evaluation committee. At the discretion of the City, and due to current conditions, the City may conduct interviews virtually. At the completion of the interview process, the City staff intends to recommend a finalist respondent to the City Council for consideration and direction.

If the City makes a selection, the next step in the process is for the City and the respondent to enter into an Exclusive Negotiating Agreement (ENA) with a term of up to six (6) months. Any extensions to that term will be subject to City Council approval at their sole discretion. If the negotiations are successful, the City staff will bring forward a development and administrative services agreement to the City Council for consideration and action.

VI. CAVEATS

A. RIGHTS AND UNDERSTANDINGS

The City reserves the following rights to take the following actions with respect to the RFQ:

1. Accept or reject any submittals received in response to this RFQ.
2. Accept, reject, or negotiate modifications to any of the submissions received in response to the RFQ.
3. Issue additional solicitations for submissions and/or addenda to the RFQ.
4. Negotiate with one or more the respondents.
5. Select any submission as the basis for negotiations, and to negotiate with respondents for amendments or other modifications to their submissions.
6. Waive any irregularities in any submission.
7. Conduct investigations with respect to the qualifications of each respondent, and/or to obtain additional information deemed necessary to evaluate the respondent's experience and financial capabilities.

B. COST LIABILITY

The City is not liable to pay or reimburse any costs incurred by the respondents in the RFQ process. This includes any of the costs that may be incurred by the respondent by undertaking the following activities:

1. The preparation of its response to the RFQ.
2. The response to any request for information made by the City during the selection process.
3. Negotiations with the City on any issue related to the RFQ.
4. Participation in interviews associated with the developer selection process.
5. Negotiations with the City related to the preparation of an ENA.
6. Negotiations with the City related to the preparation of an affordable housing services provider agreement.

C. AMENDMENTS

Any amendments to the RFQ will be issued by the City. The City will not be bound by any oral statements or modifications. If the RFQ is amended, all terms and conditions that are not modified will remain unchanged. Respondents shall acknowledge receipt of each amendment to the RFQ in writing by including a statement to such effect in its submission.

All respondents should note that the award of any contract pursuant to this solicitation is dependent upon the recommendation of the City staff and the approval of the City Council.

EXHIBIT A

NOTICE OF INTENT TO RESPOND REQUEST FOR QUALIFICATIONS AFFORDABLE HOUSING SERVICES PROVIDER (INCLUDING DEVELOPMENT AND MANAGEMENT OF AFFORDABLE HOUSING UNITS)

NOTICE OF INTENT TO RESPOND
REQUEST FOR QUALIFICATIONS
AFFORDABLE HOUSING SERVICES PROVIDER (INCLUDING DEVELOPMENT
AND MANAGEMENT OF AFFORDABLE HOUSING UNITS)
CITY OF EL SEGUNDO

The purpose of the Notice of Intent to Respond is to assist the City in managing information and to ensure that communications regarding this Request for Qualifications reach the intended recipients. Answers to questions raised during the Request for Qualifications process will only be sent to respondents that complete and return a Notice of Intent to Respond. Completing and submitting this Notice does not bind the undersigned to submit a response to the Request for Qualifications.

The authorized representative identified in the Notice of Intent to Respond will serve as the single point of contact with the City throughout the Request for Qualifications process. All communications to the respondent will be addressed to the authorized representative. No other methods will be used to respond to any questions received by the City during the Request for Qualifications process.

The Notice of Intent to Respond must be returned via email by **October 7, 2020 by 3 p.m.**, to Tina Gall, at: tgall@elsegundo.org. Questions related to the Request for Qualifications must be submitted via email by **October 15, 2020 at 3 p.m.**, to Tina Gall at: tgall@elsegundo.org. The City will provide final written responses via email to questions by **October 29, 2020** to all parties that timely submit the Notice of Intent to Respond.

Organization/Team Name: _____

Authorized Representative: _____

Street Address: _____

City: _____ State: _____ Zip code: _____

Telephone #: _____ Email Address: _____