



CITY OF FREMONT

**REQUEST FOR INFORMATION (RFI) AND
REQUEST FOR PROPOSALS (RFP)**

**DEVELOPERS/OWNERS INTERESTED IN ACQUIRING AND OPERATING
EXISTING HOTELS AND MOTELS OR DEVELOPING INTERIM HOUSING FOR
THE FORMERLY HOMELESS AND WORKING WITH THE CITY TO JOINTLY
SUBMIT AN APPLICATION FOR STATE PROJECT HOMEKEY FUNDING**

Release Date:

June 23, 2021

RESPONSE DUE:

***** September 1, 2021*** by 2:00 p.m. (PST)**

Contact for Questions:

Lucia Hughes, Lhughes@fremont.gov; (510) 494-4506

All inquiries and/or questions shall be submitted

no later than Monday, August 23, 2021

CITY OF FREMONT
REQUEST FOR INFORMATION (RFI) AND REQUEST FOR PROPOSALS (RFP)

Proposal Deadline: September 1, 2021 by 2:00 p.m. (PST)

I. Introductory Information

A. Intent of RFI/RFP

The City of Fremont (City) requests submittal of Statements of Interests from qualified parties with proven experience in owning and operating affordable housing/permanent supportive housing and interim housing for the formerly homeless including directly providing or coordinating the delivery of needed services to the residents. The City will establish a pool of qualified developers/owners to work with the City to jointly submit an application for State Project Homekey funding. The City is interested in securing one or two State Project Homekey awards in 2021 which will enable the City working with a qualified developer/owner to acquire one or two existing hotels or develop interim housing which will be used to eventually provide permanent housing for the homeless population. This RFI/RFP will establish a pool of qualified developers/owners who will jointly apply with the City for the expected upcoming second round of the State Project Homekey program. This pool will be valid for up to five years. The City requires a competitive selection process in order to establish this pool.

The City administers a variety of housing and service programs funded with a variety of funding sources. This includes but is not limited to Low and Moderate Income Housing Fund program income collected by the City as the Housing Successor Agency to the former Redevelopment Agency; fees paid to the City by developers to comply with the City's Affordable Housing Ordinance; Commercial Linkage Fees for Affordable Housing Developments, and General Fund monies appropriated for affordable housing purposes by the City Council. The funds described may also be supplemented with federal HOME Investment Partnership Program (HOME) funding that the City receives through its participation in the Alameda County HOME Consortium and/or with federal Community Development Block Grant (CDBG) allocations.

B. Term of Engagement

All successful applicants must be willing and able to meet the City's requirements as set forth in this RFI/RFP. The City will serve as the main point of contact for selected applicants, including preparing any required documents for approval by the City Council, overseeing the selected entity's contract negotiations and implementation of property acquisition or development and ensuring expected State Project Homekey program outcomes are met.

C. Qualifications

The City will select the best qualified applicant(s) from the pool of qualified applicants to this RFI/RFP based upon the hotel/motel to be acquired or the interim housing to be developed, the specific services needed by the existing/projected clients/residents and the ability to complete any needed

rehabilitation/reconfiguration of the an acquired property or development of a new property in order to meet the needs of the targeted population.

Eligible applicants include nonprofit and for-profit housing corporations, joint ventures, limited liability companies and partnerships. Applicants must have demonstrated experience and capacity in the development and management of affordable rental housing, especially in regards to providing and operating permanent or interim housing for the formerly homeless. Applicants should have experience completing needed rehabilitation/reconfiguration as may be required by the acquisition of certain hotels/motels; development experience pertaining to interim housing using cost-effective methods (i.e., modular or other appropriate housing components); demonstrated management capability and sensitivity in regards to being responsive to a formerly homeless population; and experience and expertise in regards to the delivery of services as may be required by the tenant population. The successful owner/operator of an acquired hotel/motel or developer of interim housing can contract with a third-party service provider that the City will need to approve.

D. Scope of Services

The City seeks one or more qualified applicants to assist with its efforts to address the need to permanently house various homeless populations through the acquisition of one or more hotels/motels or through the creation of interim housing that can serve as a stepping-stone to a permanent housing solution for this population using innovative cost-effective approach (i.e. modular units or other appropriate housing components). The selected applicant(s) will jointly apply with the City to the State Project Homekey program for funding which will enable the acquisition or development of one or more properties as well as apply for operating subsidy funding through State Project Homekey, should such funding be available. The selected applicant(s) will also be expected to identify and aggressively pursue other operating subsidy funding from various sources such as philanthropic and corporate sources.

The selected applicant(s) will:

- 1) Identify a hotel/motel for possible acquisition or identify a potential site for the placement and development of interim housing
- 2) Arrange for a site visit/tour by applicant and City representatives.
- 3) Consulting with City staff, determine what homeless population the property could potentially best serve.
- 4) Once City staff and the applicant have determined the potential best use, the applicant will develop Sources & Uses of proposed funding; a proposed development budget in the event the property needs rehabilitation and/or reconfiguration and in the case of new construction of interim housing; an operating pro forma; and project timeline for review and sign-off by the City.
- 5) The applicant will address any questions/concerns expressed by the City in regards to the Sources & Uses, development budget, operating pro forma and timeline. Included in the applicant's response back to the City will be an assessment of the likelihood of receiving approval of the identified sources of funding and how delays might impact both the potential funding and timeline.

- 6) Once the City has signed-off on the above, the applicant will seek to enter into a Purchase and Sales Agreement (PSA) with the existing owner with the customary contingencies and, and other special contingencies (i.e., ability to secure other HomeKey and other financing, funding sources' requirements, etc) and due diligence items identified in the PSA. In addition, for a proposed interim housing development, the City will want to review the current zoning of the proposed site; planned use of modular components or other building types; and understand any potential infrastructure needs and how infrastructure improvements will be paid for.
- 7) In consultation with the City, take the lead in completing the required State application and any and all needed attachments. City staff will help to facilitate the completion and submittal of the application to the State and in the case of a proposed interim housing use, City staff will take the lead in negotiating with State HCD so as to ensure that such a use of Project Homekey funds is allowable. The selected applicant(s) will be the lead on following-up on any questions or identified additional informational requests by the State.
- 8) If awarded State Project Homekey funding, the selected applicant(s) will become the owner/operator of the property with the City assisting in the lease-up and identification of appropriate tenants. Other City departments may also participate in providing potential resident referrals.

Awarded State Project Homekey funds require that the property remain affordable and financially viable to the targeted population as identified in the application for at least the initial five years of operation with to-be-recorded affordability restrictions required for at least ten (10) years. The City will be recording fifty-five (55) year affordability restrictions in anticipation that the acquired properties at some point may become eligible for an allocation of tax credits. For this reason, hotels and motels that are to be considered for acquisition should be in their current ownership for 10 years or more. Additionally, the proposed project will either have existing kitchenettes or the ability to affordably be reconfigured to add functioning kitchenettes. In the case of the development of interim housing, such a property can have shared restroom and kitchen facilities. An interim housing development is not expected to be able to qualify as a tax credit development, instead an interim housing property will be viewed as a “stepping-stone” to a permanent housing solution for individual households.

Applications for this RFI/RFP will be evaluated to determine the strongest applicant(s) in regards to particular properties. The City anticipates that the State Project Homekey funds will once again be highly competitive and that the process will be expedited. For more information regarding the State Project Homekey program go to the following link: <https://www.hcd.ca.gov/grants-funding/active-funding/homekey.shtml> It should be noted that this link refers to the first round of State Project Homekey funding and while some changes/modifications to the program are expected, it is not anticipated at this time that such changes/modifications will be significant.

The identified property must be of sound and substantial construction of the type generally recognized as a turnkey hotel/motel property. The offered building must also conform to the seismic requirements for new construction of the current (as of the date of this request) edition of the Uniform Building Code (UBC). The offered building must be equipped with fire-sprinklers meeting all requirements of the City's fire department or be exempt from such requirement. In regards to interim housing, the proposed development must meet all required zoning requirements of the City or be exempt as may be

allowed/determined. In addition, the use of modular components or other building types must comply with State applicable building standards. An existing or proposed property must be located within the geographic boundaries of the City of Fremont.

Other important details include:

- 1) Property size: any sized hotel/motel or proposed new interim housing use.
- 2) Available for close of escrow late 2021 (anticipated at this time)
- 3) Location: Within the jurisdictional boundary of the City of Fremont.
- 4) Space must be in compliance with all applicable codes and permits including ADA for the appropriate project type.
- 5) Property shall have onsite parking exclusive to property, free from other encumbrances or be exempt as may be allowed.
- 6) Current security camera system for hotel/motel properties or planned security camera system for interim housing development.
- 7) Seller (i.e., current owner) to incur all costs associated with title transfer and recording.
- 8) Acceptance of Standard Purchase and Sale Agreement:
 - a. Seller to inspect, correct any and all deficient, as well as certify sewer lateral lines and provide certificate to City.
 - b. Seller to incur any costs associated with extended ALTA policy including any surveys that may be required.
 - c. Escrow initial deposit shall be no more than \$50,000.
 - d. Seller shall work with Buyer to provide prompt access to all areas of the Property and promptly obtain any additional information requested so that all areas can be inspected, including but not limited to the following for existing hotel/motel properties:
 1. General building condition
 2. Structural condition
 3. Roof
 4. Mechanical, electrical and plumbing systems
 5. Life safety systems
 6. Toxic, hazardous or contaminated substance matters
 7. Accessibility items
 8. Soil conditions
 9. Any other inspections or investigations as deemed reasonable and necessary by Buyer
 - e. Seller shall provide a list identifying the location of all hazardous materials, asbestos, or lead-based paint present on the Property. Seller shall also provide all documentation, including but not limited to reports concerning the presence at any time of hazardous materials, asbestos, or lead-based paint present on the Property at any time.
 - f. Seller to provide a list of any occupants of the Property without a written lease or permission to occupy (for existing hotels/motels).
 - g. Seller to deliver a fully vacant property at close of escrow (Note: Under certain circumstances, this could be negotiable).
 - h. Seller to provide a Grant Deed conveying the Real Property, Improvements and all rights, privileges and easements.

- i. The Property shall be free and clear of all liens, encumbrances, assessments, easements and taxes, except (i) real property taxes and assessments for the fiscal year in which escrow closes (subject to prorations); (ii) easements or rights of way over the land portion of the Property for public or quasi-public utilities or public street purposes; and (iii) such other items as Buyer approves in writing.
- j. Seller must remove all judgment liens before the close of escrow.

The building owner, property owner, or developer must be prepared to secure all building permits and any required occupancy or use approvals.

Once the applicant has a general understanding of the need, please provide the City with a written description of each available property that meets the above requirements. Please include all salient information, the location, size and rental costs on a full-service gross basis. Unfortunately, the City cannot accept computer printouts listing numerous locations.

Format of Information: Each submittal must have the following financial and qualitative information included:

- 1) Applicant qualifications, experience and management of affordable rental housing for the homeless population
 - a. Qualifications of the Applicant and development team
 - b. Experience and track record of proposed service provider if different than “a” above.
 - c. Experience in completing affordable rental housing projects of similar size and complexity as the proposed project
 - d. Applicant’s track record of successfully developing affordable housing for the homeless population on time and within budget
- 2) Building or site address, city/area, zip code: Nearest cross street (major or minor street), nearest major intersection, and date the property is available.
- 3) Building description, size, proposed suite location (if part of a larger building), or site size, number of rooms and types of rooms, availability of kitchenettes, and building capacity under the applicable zoning code.
- 4) Proposed sale price of Property.
- 5) Current status of Property – Is it currently on the market? If so, is it under contract?
- 6) Current Preliminary Title Report (not older than two months of submittal date).
- 7) Current appraisal (not older than two months of submittal date).
- 8) Number of exclusive parking spaces available.
- 9) Building or site owner name and owner’s acknowledgement of this potential offering.
- 10) Number of years under the current ownership
- 11) Building age, construction type and class for existing hotels/motels. Current zoning of the building or site. Status of ADA compliance including CASP Report where available for existing hotels/motels.
- 12) Quality of building design, including items such as aesthetics, architecture, energy conservation and other considerations.
- 13) Is the location part of the City’s police department’s current patrol route?
- 14) Description of existing or planned security system.

E. How to Apply

Applications are due on September 1, 2021. Late applications will not be accepted. The City requires that the following be submitted:

- Hard copies: One (1) original and one (1) copy of complete response/proposal.
- USB drive: All proposal material must also be submitted on a USB drive. The phased sources and uses of funds, operating pro forma, and any other budget spreadsheet must be submitted in Excel format.
- Responses must be received by 2:00 p.m., September 1, 2021.

F. Applicant Submittal Requirements

Applications are to be straightforward, clear, concise and specific to the information requested. In order for applications to be considered complete, applicant must provide responses to all information requested. Submission to this RFI/RFP is at the applicant's expense and no part of the costs of preparation shall be reimbursed by the City.

Applications in whole or in part, are NOT to be marked confidential or proprietary. City may refuse to consider any application or part thereof so marked. Applications submitted in response to this RFI/RFP may be subject to public disclosure. City shall not be liable in any way for disclosure of any such records. Under California Public Records Act, all documents submitted in response to this RFI/RFP are considered part of the public record and will be made available to the public, upon request, following the application deadline.

II. Other Procedures and Instructions

A. How to Submit Questions

Any questions should be emailed to Lhughes@fremont.gov no later than August 23, 2021. City staff will post the FAQ on the RFQ/ RFI webpage at www.Fremont.gov/HomekeyRFI-RFP.

All contact during the RFI/RFP process and evaluation phase shall only be through the designated email for the RFI/RFP at Lhughes@fremont.gov. Applicants shall neither contact nor lobby County staff or evaluators during the evaluation process.

B. Revisions to RFI/RFP

If it becomes necessary to modify any aspect of this RFI/RFP, the City will prepare an addendum. The addendum will be posted on the City's RFQ/ RFI webpage at www.Fremont.gov/HomekeyRFI-RFP.

C. Modifications to Submittals

Applicants may not modify their submittal at any time after the due date, except in direct response to a request from City staff for clarification. Any submittal and proposed information items must be valid for at least 180 days after submission.

D. Expense of Preparation

The City is not responsible for any expense incurred in preparation of submittals or taking any action in connection with the process, or for the costs of any services performed in connection with submittal or approval process.

E. Reservation of Rights

The City reserves the right to conduct any investigation of the qualifications of any applicant that it deems appropriate, negotiate modifications to any of the items submitted, request additional information from any applicant, extend the deadline, reject any or all submittals, and waive any irregularities. The City retains the right to negotiate the terms and services in any submittal. The City retains the right to cancel this process, extend the deadline, re-start the process or not select any provider.

F. Interviews

The City reserves the right to conduct interviews in connection with responses submitted in response to this RFI/RFP. As such, all entities responding to this RFI/RFP should be prepared to participate in a virtual meeting (Zoom or similar format) upon request by the City.

G. Estimated RFI/RFP Timeline Subject to Change Based on State HomeKey Application and Funding Schedule

Date	Event
June 22, 2021	RFI/RFP Released
August 23, 2021	Deadline for Submission of Questions
September 1, 2021	RFI/ RFP Response Submission Deadline (2:00 PM PST)
September 2, – September 17, 2021	Review of responses to RFI/ RFP
September 20, 2021	Notice of Recommendation
October 2021	Recommendation to City Council

H. Submittal Information Evaluation

Submitted information will be reviewed by City staff and/or consultants for completeness, meeting requirements, and competitiveness. Incomplete information may not be accepted. Staff may ask clarifying questions of applicants and include this information in the review process. Submitted

information that does not address the above referenced items may be rejected and as a consequence, may not be considered for further consideration.

I. Right to Waive Irregularities

The issuance of this RFI/RFP does not constitute a contract award or any type of commitment or obligation on the part of the City. The City shall not pay or be responsible for any costs incurred in the preparation of the submittals.

The City reserves the right to:

- 1) Withdraw this solicitation at any time without prior notice and, furthermore, makes no representation that any contract will occur and that funds will be awarded to any respondent to this solicitation;
- 2) Waive any irregularities in the RFI/RFP process and to reject any and all submissions not in the best interest of the City of Fremont;
- 3) Request additional information and material;
- 4) Fund any applicant's proposed property acquisition at any amount in order to further City's goals and objectives on homeless issues; and
- 5) Retain all submitted applications/responses.

Selection or rejection of an applicant's proposal does not affect these rights. In addition, it must be understood that no action, which binds the City, is in effect until the required City approval process is completed including approval by the City Council, as may be needed at a Public Hearing.

III. Award Process

A. Notice of Recommendation to Award/Not Award

At the conclusion of the RFI/RFP response evaluation process, all applicants will be notified by email of the Next Steps, if any, by the City.

B. Working with the City

- 1) The City reserves the right to determine, at its sole discretion, whether an applicant has complied with all terms of this RFI/RFP.
- 2) Applications will be evaluated by a committee. The City may choose to work with an applicant whose cost to acquire a property was not necessarily the lowest cost based upon a per square foot cost.
- 3) The City reserves the right to reject any or all responses that materially differ from any terms contained in this RFI/RFP or from any Exhibits attached hereto, to waive informalities and minor irregularities in responses received, and to provide an opportunity for Applicants to correct minor and immaterial errors contained in their submissions. The decision as to what constitutes a minor irregularity shall be made solely at the discretion of the City.
- 4) The City reserves the right to award to a single or multiple applicants.

- 5) The City has the right to decline to work with any of the applicants for any reason.
- 6) City Council approval to work with any applicant and enter into a contractual agreement may be required.
- 7) Any application/submittals that contain false or misleading information may be disqualified by the City.
- 8) Any contractual agreement between an applicant and the City must be negotiated, finalized, and signed by the recommended applicant prior to City Council approval.

List of Exhibits

- A. Submittal Addendum and Certification
- B. Insurance Requirements

EXHIBIT A: Submittal Addendum and Certification

Official Name of Applicant: _____

Street Address Line 1: _____

Street Address Line 2: _____

City: _____ State: _____ Zip Code: _____

Webpage: _____

Type of Entity / Organizational Structure (check one):

- | | |
|--|---|
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Joint Venture |
| <input type="checkbox"/> Limited Liability Partnership | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Limited Liability Corporation | <input type="checkbox"/> Unincorporated Association |
| <input type="checkbox"/> Other: _____ | |

Jurisdiction of Organization Structure: _____

Date Organization was formed: _____

Federal Tax Identification Number: _____

Primary Contact Information:

Name / Title: _____

Telephone Number: _____ Fax Number: _____

Email Address: _____

SIGNATURE: _____

Name and Title of Signer: _____

Dated this _____ day of _____, 2021

EXHIBIT B: INSURANCE REQUIREMENTS

The City has significant Insurance Requirements that must be addressed on an individual property by property basis. These Insurance Requirements reflect industry standards and will be articulated prior to the acquisition and operation of a property.

By signing the Submittal Addendum and Certification found in Exhibit A to this RFI/RFP, the Applicant agrees to meet the minimum City insurance requirements summarized as follows:

- a. Workers' Compensation insurance to the extent required by law, including Employer's Liability coverage, with limits not less than \$1 million each accident.
- b. Commercial General Liability insurance with limits not less than \$2 million each occurrence.
- c. Comprehensive Automobile Liability insurance with limits not less than \$1 million for each occurrence.
- d. Property insurance, including during the course of construction builder's risk insurance, covering the development, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value.
- e. Commercial Crime Insurance covering all officers and employees, for loss of City Loan proceeds caused by dishonesty, in an amount not less than the amount of the City Loan naming the City as a Loss Payee, as its interests may appear.
- f. The general contractor, subcontractor, or agent working on the development must maintain insurance of the types and in at least the minimum amounts described in items a, b, and c above, except that the limit of liability for commercial general liability insurance for sub-contractors is \$1 million.
- g. All policies, both during construction and after completion, must name the City as an additional insured.

The above summary covers general requirements and does not include comprehensive detail about the City's insurance requirements. For specific questions and exact insurance requirements, the Applicant should contact the City's Risk Management Office at email: riskmanagement@fremont.gov or phone: (510) 284-4050.