



City of Half Moon Bay, California

Request for Qualifications

555 Kelly Avenue
Affordable Housing Site RFQ

RFQ Issued: February 15, 2022

Deadline to Submit: Monday, May 9, 2022
by 5:00 PM PST

Table of Contents

1. Overview of Request for Qualifications	p. 3
2. Project Objectives	p. 3
3. Overview of Selection Process	p. 4
4. Property Information and Development Requirements	p. 5
5. Financial Terms and Assumptions	p. 7
6. Submission Instructions and Requirements	p. 7
7. Evaluation Criteria, Procedures, and Tentative Timeline	p. 10
8. Legal Disclaimers	p. 11
9. Contacts and Additional Information	p. 12
10. Attachments	p. 12
11. Illustrative Site and Location Map	p. 12

DEADLINE FOR SUBMITTAL: Monday, May 9, 2022, by 5:00 PM

An electronic copy of the RFQ and supporting documentation can be accessed at the following location: www.hmbcity.com/555kellyaverfq

1. Overview of Request for Qualifications

The City of Half Moon Bay (“City”) is seeking qualified candidates to develop a City-owned parcel located at 555 Kelly Avenue (APN 056-150-200) in Half Moon Bay (“Property”), as permanent multifamily affordable rental housing or transitional housing. The parcel is 6,098 sq. ft. in size (approximately 0.14-acre) and is developed with a single-family home which is currently vacant. The City acquired the Property in 2017 and now wishes to see it developed for affordable housing purposes. In addition to making the 555 Kelly Avenue property available, the City welcomes submittals that would also make use of a portion of the parking lot at the Ted Adcock Community Center (“Expanded Property”). This Expanded Property would be approximately 16,000 square feet, or more than double the size of the Property alone.

This Request for Qualifications (“RFQ”) contains the City’s objectives for the Property/Expanded Property, as well as the development parameters, instructions governing the submittals, the requirements to be eligible for consideration, general evaluation criteria, and other requirements to be met by each applicant. As this RFQ involves the disposition of a valuable public resource, it shall be carried out in a transparent manner using objective evaluation criteria. This RFQ is a solicitation of competitive submittals and the City will be looking for proposals that it believes will best serve the public good.

2. Project Objectives

The City wishes to facilitate the provision of affordable housing in this location and is willing to consider a range of affordable housing types, target populations, and project configurations. The City will consider proposals for permanent affordable rental housing (where tenants hold leases that are not time-limited) that may or may not include supportive housing, and transitional housing. Maximizing the number of affordable housing units is a City priority.

As indicated above, the City is willing to expand the size of the development site from approximately 6,100 sq. ft. to approximately 16,000 sq. ft. in order to maximize the opportunity to develop affordable housing. Applicants planning to use the Expanded Property should be aware that some sort of shared parking or replacement parking will be needed for the Adcock Community Center parking spaces that are lost.

The City will consider submittals that propose various development configurations for the Property or Expanded Property, such as:

- Using the existing single-family house as part of the affordable development and creating additional living space by enlarging the house (e.g., adding a second story, expanding the footprint) and/or adding new structures
- Demolishing the existing site structures and building a new-construction housing project
- Some combination of the above scenarios executed in phases over time

The purpose of the RFQ is to provide qualified applicants with the opportunity to propose a housing project for the Property or Expanded Property that will meet the following objectives:

- Address the housing needs of very low and extremely low-income individuals or families in the community
- Maximize the use of the site and the number of housing units to the extent feasible in order to create needed affordable housing opportunities
- Target the rental units or transitional housing to households whose household income does not exceed 50% of area median income (AMI)
- Provide ongoing supportive services and/or programming to enrich resident well-being and quality of life
- Be developed in a timely manner and financed in a way that supports the operational sustainability of the project over a period of many years
- Be attractive and compatible with the character of the neighborhood
- Utilize sustainable development principles in project design and construction
- The City will process and comply with various state laws, including the Surplus Land Act¹ and environmental review (CEQA) as part of the project.

3. Overview of Selection Process

This RFQ invites prospective applicants to submit their qualifications as well as their vision and implementation strategy for the project. The submittals will be analyzed and evaluated based on the criteria described in greater detail in Section 6 of this RFQ (“Submission Instructions and Requirements”), but which are based primarily on:

- Project Concept
- Applicant’s Experience and Qualifications Related to the Project Concept
- Ability to Secure the Necessary Project Financing
- Ability to Maintain Ongoing Operational Functions of the Project

¹ For more information regarding surplus lands and exempt surplus lands, please refer to HCD Surplus Land Act Guidelines available at https://www.hcd.ca.gov/community-development/docs/sla_guidelines_final.pdf.

For the tentative schedule and details for the selection process, please refer to Section 7 of this RFQ (“Evaluation Criteria, Procedures, and Tentative Timeline”).

4. Property Information and Development Requirements

Location

The Property is located at 555 Kelly Avenue between Cabrillo Highway South and Church Street. It is situated near the downtown area of Half Moon Bay and is adjacent to several existing City facilities including the Ted Adcock Community Center, Skate Park, and Emergency Operations Center. The Ted Adcock Community Center is immediately adjacent to the Property to the northwest. Manuel F. Cunha Intermediate School is located across Kelly Avenue to the south and the Coastside Clinic operated by San Mateo County Health is also nearby, along with additional commercial buildings located to the east and west of the Property.

Site Characteristics

The Property is approximately 6,100 square feet and is developed with a one-story, single-family house that is approximately 1,158 square feet in size. The house is believed to have been built sometime around 1943 and has 3 bedrooms, 2 bathrooms, a living room and a kitchen. There is also a basement under a portion of the house and a 400 square-foot detached garage at the rear of the lot. The Property has been vacant since the City purchased the Property in 2017.

The Expanded Property would be up to approximately 16,000 square feet and would consist of the Property plus an adjacent portion of the Ted Adcock Community/Senior Center parking lot. A new parcel for the Expanded Property would be created through a lot line adjustment or other means. *Refer to illustrative site and location map of the Property and Expanded Property lot lines in Section 11, page 12, at the end of this RFQ.*

Property Development Standards

The City intends to update the zoning designations for the 555 Kelly site and the expanded site that would include the Ted Adcock Community Center (TACC) parking lot expansion so that these conform to the recently-adopted General Plan Land Use. The development standards applied to the housing project would depend on the development approach (i.e., developing 555 Kelly Ave only, or with an expansion into the TACC parking lot).

The development standards are listed below on the following page:

Development Standards for 555 Kelly and 555 Kelly with TACC Parking Lot Expansion

Standard	555 Kelly site (Property)	555 Kelly with TACC Parking Lot Expansion (Expanded Property)
Zoning	<p><u>Current</u>: Commercial-Downtown (C-D) with pending amendment per Land Use Plan.</p> <p><u>Anticipated</u>: Public and Quasi-Public Land Use (PS) and Workforce Housing Overlay (WHO) will be applied to the site</p>	<p><u>Current</u> - TACC expansion area: PS zoning district</p> <p><u>Anticipated</u>: PS with the WHO applied to both the 555 Kelly site and the TACC expansion area</p>
Relevant Permitted Uses	<p>C-D:</p> <ul style="list-style-type: none"> • Multi-Family (MF) Residential – 29 DU/AC • Group residential • Residential care • Health Care • Personal Services • Personal Improvement Services • Office • Mixed-Use 	<p>PS: Currently a very limited range of uses, including emergency shelter, civic center, parks.</p> <p>WHO: MF Residential – up to 14 units on this site; must be affordable to low- or lower income households.</p>
Site Area (SF)	~ 6,100 SF	~ 16,000 SF
Lot Coverage (%/SF)	No limit for MF residential with 3 or more units.	No limit
FAR (%/SF)	No limit for MF residential with 3 or more units.	No limit
Setbacks: (FT)		
<ul style="list-style-type: none"> • Front • Sides • Rear 	<ul style="list-style-type: none"> • 0 FT • 0 FT • 0 FT 	<ul style="list-style-type: none"> • 20 FT (see Notes, below) • 0 FT • 0 FT
Height (FT)	36 FT or 3 stories	50 FT or 4 stories (see Notes, below)
Notes:		
<ul style="list-style-type: none"> • Setbacks • Height • Parking • Open Space • Storage space 	<ul style="list-style-type: none"> • The PS zoning district’s 20-foot setback can be reduced through density bonus or variance. Otherwise, setbacks are generally not required in any of the applicable zoning districts. However, a shallow, landscaped front yard would improve streetscape compatibility; e.g. 5-10 feet. • A maximum height of 3 stories would be encouraged; however, a 4-story building consisting of parking on the ground floor underneath conditioned space is also achievable, especially with ground floor frontage use on Kelly Avenue for services and/or a pedestrian entrance to the residential units above. • Parking provisions are dependent on the use; the City is open to reasonable provisions. • Shared and/or small private open space areas would be preferable, but not required due to limited site area. The site is next to community center. • Storage space should be planned for each unit; e.g. 60 CUFT/unit is standard in the C-D zoning district, but this could be addressed in many different ways. 	

5. Financial Terms and Assumptions

Land Transfer

The City plans to retain ownership of the land but will transfer the land through a long-term ground lease. Such long-term ground lease between the City and the entity that will develop and own the improvements on the site will be executed before the start of any construction of improvements on the site.

City Subsidy

The City may be willing to provide additional financial subsidy for the affordable housing project in addition to the land. The funding source would likely be the City's Affordable Housing Fund and would be made available at the City Council's discretion based on (a) available funds, (b) demonstrated need for such financial subsidy, and (c) balancing the needs of any competing uses for Housing fund resources at the time.

6. Submission Instructions and Requirements

Eligible Applicants

Eligible applicants include only non-profit 501(c)(3) organizations. For-profit corporations, individuals, and government agencies are not eligible applicants for this RFQ.

Instructions

- Submittals should be organized in the same order as the submission requirements below
- Please provide: one (1) printed original and three (3) copies with no binding or staples, and one (1) electronic copy in PDF format

Submittal Requirements

For the Submittal, please include the following information:

1. Statement of Interest

Include a cover letter providing a statement of interest regarding: development of the proposed project; highlights of the applicant's qualifications; understanding of the objectives of the project; and identify the point of contact for the applicant. Must be signed by the Executive Director of the applicant entity.

2. Project Concept

In no more than two (2) pages, describe your project concept and how it will meet the project objectives of the City outlined in Section 2 of this RFQ. Include sufficient detail as to: proposed uses; population served; sources of financing for developing the project; and how the ongoing operations will be funded, in order to give the Review Committee enough information to have an idea of what the final development would contain. Supporting data and collateral materials on how the project will help meet community needs is welcome (these materials may be in addition to your 2-page narrative description).

Please also provide the following:

- A very simplified site plan showing how the proposed number of housing units will be accommodated.
- A very simple estimated development budget (Sources of Financing / Uses of Financing) for the project.
- A very simple estimated operating budget for the project

3. Qualifications of Team Members**

- Identify the organization(s) / key consultant(s) (if any) that will make up the project team – including the sponsoring organization(s), developer entity or development consultant, service provider entity, etc. – and describe each team member's role.
- Provide brief statements of the relevant qualifications for each of these organizations/ consultants that will make up the project team.
- Provide resumes of key team members.
- Indicate the lead contact for the team.

*** Note: It is highly recommended that Service provider organizations with no prior housing development experience add either (a) an experienced affordable housing developer, or (b) an experienced affordable housing development consultant, to their team.*

7. Evaluation Criteria, Procedures, and Tentative Timeline

Evaluation Criteria

Submittals will be reviewed and evaluated by qualified personnel selected by the City. The following areas of consideration will be used in evaluating the applicants' responses:

- **Concept:** How well does the project concept meet the City's objectives? Does the proposed project seem feasible? (e.g., will fit within the site, is likely to secure the proposed sources of financing, etc.)
- **Experience and Capacity:** Does this team possess the prior experience and technical competence to deliver and operate the proposed project? (e.g., similar projects, team member experience, team capacity to successfully deliver and operate the project, etc.)
- **Financial Feasibility:** Does the team have prior experience in securing the types of development financing and operational resources proposed? Does the team demonstrate the ability to secure the funds needed for this particular project being proposed?
- **Proposal Responsiveness:** Completeness of the proposal, thoroughness of information

Interview Process

Once the submittals are reviewed by the review committee, top rated applicants will be invited for an interview to further discuss and clarify information presented by the applicant. The review committee will then evaluate the applicant's qualifications based on both the initial submittal and information obtained during the interview process.

Award Procedures

1. Once all interviews are completed, one or more of the top-rated applicants may be asked to submit a more detailed project description and development budget.
2. The review committee will recommend for selection the team/project that most closely meets the requirements of the RFQ and satisfies the City's needs and objectives.
3. Following these steps, City staff will select a finalist candidate. All applicants will be notified of evaluation results and the selection of a finalist.
4. The selected finalist may be required to provide further project details and assumptions before City staff presents its recommendation of the selected finalist to the City Council for consideration.

Tentative Timeline

RFQ released	Tues, February 15, 2022
<ul style="list-style-type: none"> • Site Tour (meet at site) 	Weds, March 2, 2022, 10:00 AM
<ul style="list-style-type: none"> • Q&A Session for Prospective Respondents (Zoom link will be posted on RFQ website) 	Weds, March 9, 2022, 10:00 AM
Last Day to Submit Written Questions about the RFQ	Mon, April 25, 2022
RFQ Submittals Due – Deadline for Submittal	Mon, May 9, 2022, 5:00 PM
City review of responses; invitations for interviews sent out	By June 20, 2022
Interviews expected to be held	The second half of June 2022
Finalist candidate presented to City Council for consideration	August 2022

Post Selection Negotiations

After the City Council has approved the selection of a finalist candidate, the candidate and staff will work collaboratively to negotiate a Disposition and Development Agreement (DDA) between the City and the entity which will develop and own the affordable housing. The DDA will include a detailed project description, building design parameters, development plan and budget, programming plan and budget, and other pertinent information. The agreement will also list the various process milestones to be attained by the developer prior to project completion and the timetable for meeting these milestones. The DDA will be considered by the City Council at a regular Council meeting prior to the selected finalist entering into a long-term ground lease and starting construction activities.

8. Legal Disclaimers

The City may, at its discretion, request that the candidate selected through the RFQ process modify or supplement their submittal with additional information. Once City Council has approved a finalist candidate, a Disposition and Development Agreement will be negotiated. The City reserves the right to reject any or all submittals submitted, to cancel or extend this solicitation, and to re-advertise for submittals. This RFQ and selection process does not constitute any type of offer and creates no contractual or other liability for the City.

9. Contacts and Additional Information

Prospective respondents should feel free to reach out to the Community Development Director, using the email address below, for questions regarding the RFQ. Please do not leave phone messages regarding the RFQ as these will not receive a response.

***For Further Information:** contact:

Jill Ekas, Community Development Director -- email: jekas@hmbcity.com

***Download the RFQ:** See City website at: www.hmbcity.com/555kellyaverfq

10. Attachments

Attachments: See City website at: www.hmbcity.com/555kellyaverfq

- Phase 1 Environmental Site Assessment
- Preliminary Title Report
- Site Survey (*pending completion*)

11. Illustrative Site and Location Map



Site



Expanded Site

