



# **CITY OF DAVIS REQUEST FOR PROPOSALS**

**Pacifico Affordable Housing Development  
1752 Drew Circle, Davis CA 95618**

**Date Released:** Friday, June 14, 2019  
**Date and Time Due:** Friday, August 16, 2019 at 5 p.m.

## **Contact Information:**

City Manager's Office – City of Davis  
23 Russell Boulevard, Suite 1  
Davis, CA 95616

**[cmoweb@cityofdavis.org](mailto:cmoweb@cityofdavis.org)**

(530) 757-5602

Attn: Kelly Stachowicz, Assistant City Manager

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# REQUEST FOR PROPOSALS

## PACIFICO AFFORDABLE HOUSING DEVELOPMENT

### INTRODUCTION

#### Overview

The City of Davis (City) is pleased to issue this Request for Proposals (RFP) for the Pacifico affordable housing development located at 1752 Drew Circle, Davis, CA 95618. This City-owned property has an existing affordable rental housing development on it. The site is currently built for 112 affordable beds across 96 rooms in a co-op style layout. Two of its four buildings are fully occupied (C and D); the remaining two are closed (A and B). The City has owned the site since 2006 and currently contracts with Yolo County Housing to manage the property.

#### Purpose

The purpose of this solicitation is to obtain proposals from housing developers and operators for a variety of concepts on the site, including lease or purchase of the site, and renovation of existing structures or demolition/new construction. All scenarios anticipate responses to include proposals to manage the property. While the City Council has not specified a preference about the physical structure(s) or any target tenant populations, the City Council has indicated a desire to keep the site affordable.



### BACKGROUND

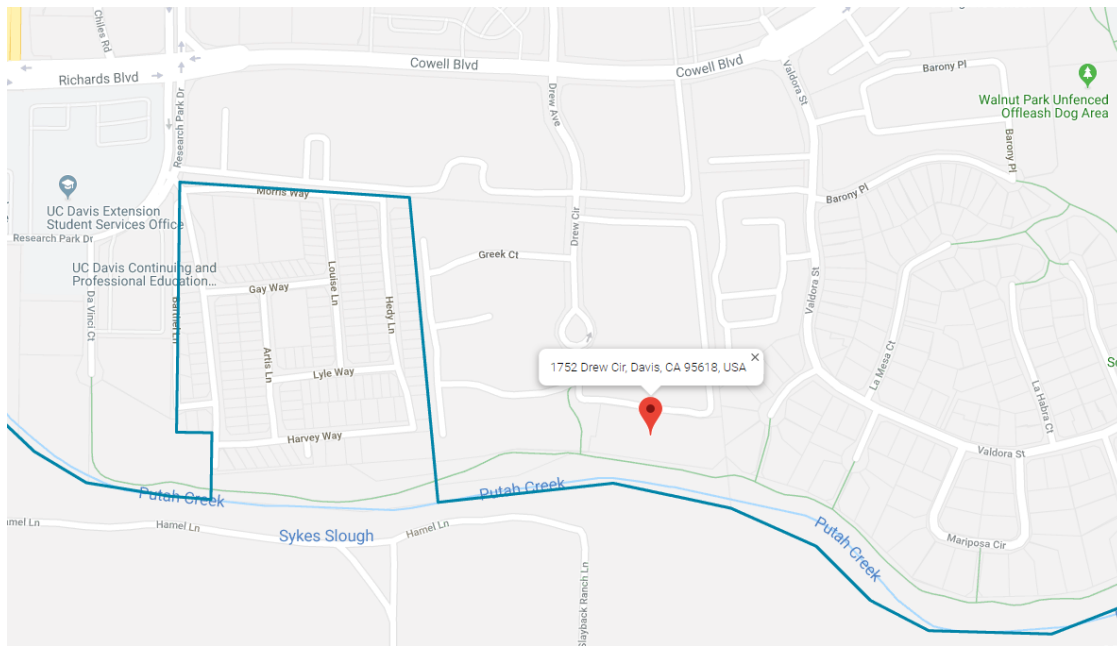
#### Property History

The property was developed in 1999, in fulfillment of the affordable housing requirements for the surrounding neighborhood, and opened for tenancy in 2000. In 2004, a fourth building was added. The property was originally operated as a cooperative housing project with rents restricted based on the City's affordable housing program. In 2010/2011, finding both a lack of interest by UC Davis, including international students, and other area college students and an unsustainable vacancy rate, the property foreclosed, and the City took ownership. At the time of ownership, only one resident was considered a student. The City opened two of the buildings for standard affordable

housing, the only tenant requirement being income qualification. The project currently serves 44-48 residents, who average 15% of the area median income.

### Property Characteristics

- **Site Location and Zoning Information.** This 1.53 acre site (APN 069-300-056) sits at the southern border of Davis, at the end of Drew Circle and along Putah Creek. It is bordered to the north and west by multi-family housing, to the south by a City greenbelt/bike path and Putah Creek, and to the east by single family homes. Interstate 80 and downtown Davis are within approximately one mile of the site, and UC Davis is within approximately two miles. Shopping, dining, medical services, and public transportation options are within walking distance.



The site includes four buildings, which total 21,772 square feet. Each building features 24 bedrooms, a ground floor kitchen area, laundry room, dining room, multi-purpose room, and communal restrooms. Sample floor plans are included as Attachment A.

The property is zoned R-3-M /Residential Garden Apartments. The purpose of a residential garden apartment (R-3) district is to stabilize and protect the residential character of the district, and to promote, insofar as compatible with the intensity of land use, a suitable environment for family life. Medical clinics and Professional and administrative offices are permitted subject to the approval of a conditional use permit.

- **General Plan Designation and Density.** The General Plan Land Use Category assigned to the Pacifico property is Medium High Density Residential, which permits 14.00 to 24.99 units per gross acre. This category is intended to allow for residential development emphasizing compact clustered development in new areas and infill in existing neighborhoods, together with a mixture of local-serving retail and institutional uses, to meet housing demands, reduce pressure for peripheral growth and facilitate transit and bicycle/pedestrian travel.
- **Physical Layout.** The physical structure of Pacifico is different from a typical apartment layout. Rather than traditional apartment units, with 1+ bedrooms, bathroom(s), kitchen

and common living area, Pacifico resembles more of a dormitory-style facility. The ground floor of each unit has a full kitchen, common space, bathrooms, and laundry facilities, along with bedrooms. The upper floors each have single and double bedrooms, communal baths, and a living area with a small kitchenette. The development does not have elevators, and the stairs between floors are exterior. The buildings are not connected, other than via exterior concrete sidewalks. The property has ample outdoor space, with a large grassy open area between the rear of the buildings and the City bike path.

- **Allowable Housing Types.** As mentioned previously, the site was developed to house up to 112 individuals in co-op style single or double rooms, across four buildings. Currently, two of the four buildings are occupied, and two buildings have been closed since 2010 and would require renovations prior to housing residents. Continued rental housing is the most likely type of housing for the site, based on current zoning and the need to maintain affordable units, however, the City will entertain all proposals, as long as the proposal includes a replacement of the affordable units somewhere in the jurisdiction. The City has received credit for units built at Pacifico, so if the City removes affordable beds from the development, the City is required to replace them elsewhere.
- **Affordability Requirements.** When the property was first developed as part of the affordable housing requirement for the surrounding properties, the City required a Covenant to be recorded on the property to ensure affordability across any ownership changes. This is standard for all affordable properties in Davis. The Covenant requires that the property be rented to income-qualified individuals or households who do not exceed very low or low income levels. At least 45 of the beds (or 40%) are not to exceed very low income levels and 42 of the beds (38%) are not to exceed low income. The remaining beds do not have restrictions under the Covenant, although the property is currently fully affordable at a lower income level. Proposals should indicate the levels of affordability for each household (traditional units) or individual (by-the-bed).

Affordable housing income limits are determined by the Yolo County annual median income levels and household size. A household is not eligible for an affordable unit if they exceed the relevant income level, with an affordable rent calculated as no more than 30% of income.

Below are the 2019 incomes for Yolo County, based on household size.

# in Household	80% of Median Low-Income	50% of Median Very-Low-Income	30% of Median Extremely-Low-Income
1	\$49,250	\$30,800	\$18,450
2	\$56,250	\$35,200	\$21,100
3	\$63,300	\$39,600	\$23,750
4	\$70,300	\$43,950	\$26,350

Source: California Department of Housing and Community Development's 2019 State Income Limits for Yolo County: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/Income-Limits-2019.pdf>

The City desires to provide a variety of affordable housing types throughout the City to address the needs of the community. While the City will consider ownership proposals, the City believes that rental housing units on this site will address critical housing needs of very low and extremely low income households. Rental housing units are also likely to be more financially feasible on this site given limited resources for affordable housing projects. In addition to interest in extremely low and very low income housing units, the City Council also stated a desire to consider special housing needs in this project, including veterans.

- **Financial Assistance.** The City of Davis is an entitlement jurisdiction for federal Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and HOME funds, and sometimes has small amounts of local Housing Trust Fund monies available for affordable housing projects. However, there are no current plans to subsidize this property. Any requests for financial assistance should be included in the proposal responses.
- **Yolo County Conditional Use Permit Application.** Yolo County has submitted to the City a request for a Conditional Use Permit (CUP) to utilize a portion of the Pacifico property for a mental health program, an Adult Residential Facility, in one of the currently closed buildings. The proposed Adult Residential Facility would house up to 16 individuals with mental health issues, as part of a County program. The County is seeking the first and second floors of one of the buildings. The program pays for the cost to house and supervise the participants and would pay for renovation costs to the building necessary for the program.

As the City Council has not yet opined on the CUP, responses should include information about whether such a program can be incorporated into the proposed development and if any modifications to the County's initial proposal would be necessary. The CUP application and process is currently on hold.

Background information on the proposed program is included as Attachment B.

\*Note: Yolo County's original proposal included a Navigation Center, in addition to the Adult Residential Facility proposal. The County withdrew their request for the Navigation Center on June 7, 2019, so the City Council will not be considering a Navigation Center as part of the overall request.

## **PROPOSAL REQUIREMENTS**

Applicants should include the following information in their proposals.

### **I. Qualifications**

1. Provide the name, address, and telephone and email address of the lead Applicant.
2. Provide a list of the proposed applicant team, and a description of each person's/organization's qualifications.
3. Describe the Applicant team's relevant project experience in planning, financing, renovation/construction and property management of projects, emphasizing projects similar to the proposed project, including experience with income restricted affordable housing.

4. Provide evidence of the financial capacity of the Applicant team to complete the proposed project and manage the property long-term. Include a project budget, to incorporate renovation/construction costs.
5. Provide a list of similar residential property developed, owned, leased and/or managed and any projects currently under development.

## **II. Project Proposal**

1. Written Narrative. The proposal must provide a general narrative that describes the proposed plans for the site. Narrative should address
  - i. Details on proposal to lease or purchase, renovate or construct, and operate the property
  - ii. Physical changes intended for the site
  - iii. Compatibility of proposed project with the existing neighborhood.
  - iv. Levels/types of affordable housing provided, including need for housing for any identified/proposed target populations. Response should include number of units, bedrooms, or beds.
  - v. Requests for any City subsidy.
  - vi. Fulfillment of City Council goals and objectives.
  - vii. Interest in/Ability to include Yolo County's proposed Adult Residential Facility onsite.
2. Project Design. If physical changes to the site are proposed that change the current footprint or elevations, the proposal should include conceptual drawings.

## **III. Lease/Purchase Offer**

1. Respondents must submit a lease proposal or a purchase offer for the parcel.

## **PROPOSAL SUBMISSION REQUIREMENTS**

Proposals should be submitted no later than 5p.m., Friday, August 16, 2019. The City requires two (2) hard copies of the proposal, as well as an electronic submittal via a USB flash drive. Proposals should be delivered or sent to Davis City Manager's Office, City of Davis, 23 Russell Boulevard, Suite 1, Davis CA 95616. Both the paper copies and the electronic version must be received by the deadline. Proposals received after the deadline will not be considered.

## EVALUATION CRITERIA

Development proposals will be evaluated on the criteria listed below.

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Criteria
Completeness in responding to the proposal submittal requirements in this RFP.
Capacity of organization to fulfill the objectives of the proposal (i.e. renovate and manage a property with low income tenants, ability to income-qualify potential residents, provide affordable housing, etc.)
Capacity of organization to provide affordable housing
Compatibility of proposed project with the existing neighborhood
Levels/types of affordable housing provided, including need for housing for any identified/proposed target populations
Requests for any City subsidy
Fulfillment of City Council goals and objectives

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## SELECTION PROCESS

Proposals will be reviewed to determine if the applicant meets the minimum qualifications necessary to complete the desired services. Proposals not meeting minimum qualifications will be disqualified from further consideration at the sole discretion of the City. The City may seek written clarification from any or all applicants in order to better understand and evaluate the proposed solutions. This process may not be used as an opportunity to submit missing documentation or to make substantive revisions to the original proposal. The City of Davis will appoint a team that will review and evaluate the proposals and will make a final recommendation to the City Council, based on the provided materials and references contacted. Interviews may be conducted if needed.

## TENTATIVE SCHEDULE

The tentative schedule is as follows:

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Anticipated Dates	Steps
June 14	RFP released to the public
By appointment	Site visits by appointment only. Please contact City of Davis at <a href="mailto:cmoweb@cityofdavis.org">cmoweb@cityofdavis.org</a> or 530-757-5602. Property is currently occupied and the City asks prospective applicants to respect the privacy of existing residents.
August 16 by 5 p.m.	Proposal submission deadline (emails and facsimiles not accepted)
September 2019	City Council to discuss proposals, authorize City Manager to execute a contract

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The above scheduled dates are tentative and City retains the sole discretion to adjust the above schedule or cancel all or any part of the same.

## **QUESTIONS**

Questions about this RFP should be made in writing and emailed to Kelly Stachowicz at [cmoweb@cityofdavis.org](mailto:cmoweb@cityofdavis.org). Questions and answers will be published on the City's website.

## **NO OBLIGATION**

The City reserves the right to modify this RFP package at any time prior to the proposal due date, or to extend the proposal due date, or to cancel this RFP package at any time. The City further reserves the right to reject any and all proposals for any reason or to accept any qualifying proposal received which the City, in its sole unrestricted discretion deemed most advantageous to itself. The lowest or any proposal may not necessarily be accepted. The respondent acknowledges the City's rights and this clause and absolutely waives any right of action against the City for the City's failure to accept its proposal whether such right of action arises in contract, negligence, bad faith or any other cause of action. The acceptance of any proposal is subject to funds being legally available to complete this transaction and/or approval by the City Council or the officer or employee of the City having authority to accept the proposal.

The City of Davis is not responsible for any loss, damage or expense incurred by a respondent as a result of any inaccuracy or incompleteness in the RFP, or as a result of any misunderstanding or misinterpretation of the terms of this RFP on the part of the Respondent. Further, the City of Davis is not liable for any costs incurred in the preparation of the proposal submittals.

## **OTHER CITY RIGHTS**

### **Confidentiality of Proposal**

Pursuant to *Michaelis, Montanari, & Johnson v. Superior Court* (2006) 38 Cal.4th 1065, proposals submitted in response to this RFP shall be held confidential by City and shall not be subject to disclosure under the California Public Records Act (Cal. Government Code section 6250 *et seq.*) until after either City and the successful proposer have completed negotiations and entered into an Agreement or City has rejected all proposals. All correspondence with the City including responses to this RFP will become the exclusive property of the City and will become public records under the California Public Records Act. Furthermore, the City will have no liability to the Proposer or other party as a result of any public disclosure of any proposal or the Agreement. If a Proposer desires to exclude a portion of its proposal from disclosure under the California Public Records Act, the Proposer must mark it as such and state the specific provision in the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. For example, if a Proposer submits trade secret information, the Proposer must plainly mark the information as "Trade Secret" and refer to the appropriate section of the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City is not in a position to establish that the information that a Proposer submits is a trade secret. If a request is made for information marked "Confidential",

“Trade Secret” or “Proprietary”, the City will provide Proposers who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction.

### **Exceptions Certification**

In submitting a proposal in response to this RFP, Proposer is certifying that it takes no exceptions to this RFP including, but not limited to, the Agreement. If any exceptions are taken, such exceptions must be clearly noted in the proposal and may be reason for rejection of the proposal. As such, Proposer is directed to carefully review the attached Agreement and, in particular, the insurance and indemnification provisions therein. Failure to include any exceptions to the RFP, including the Agreement, shall be deemed an acceptance of all terms therein by Proposer and Proposer shall not have any further opportunity to request revisions to the same following submission of its proposal.

### **Amendments to Proposals**

No amendment, addendum or modification will be accepted after a proposal has been submitted to City. If a change to a proposal that has been submitted is desired, the submitted proposal must be withdrawn and the replacement proposal submitted to City prior to the proposal due date and time.

### **Cancellation of RFP**

City reserves the right to cancel this RFP at any time prior to contract award without obligation in any manner for proposal preparation, interview, fee negotiation or other marketing costs associated with this RFP.

### **No Commitment to Award**

Issuance of this RFP and receipt of proposals does not commit the City to award a contract. City expressly reserves the right to postpone the RFP process for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one Proposer concurrently, or to cancel all or any part of this RFP.

### **Right to Negotiate and/or Reject Proposals**

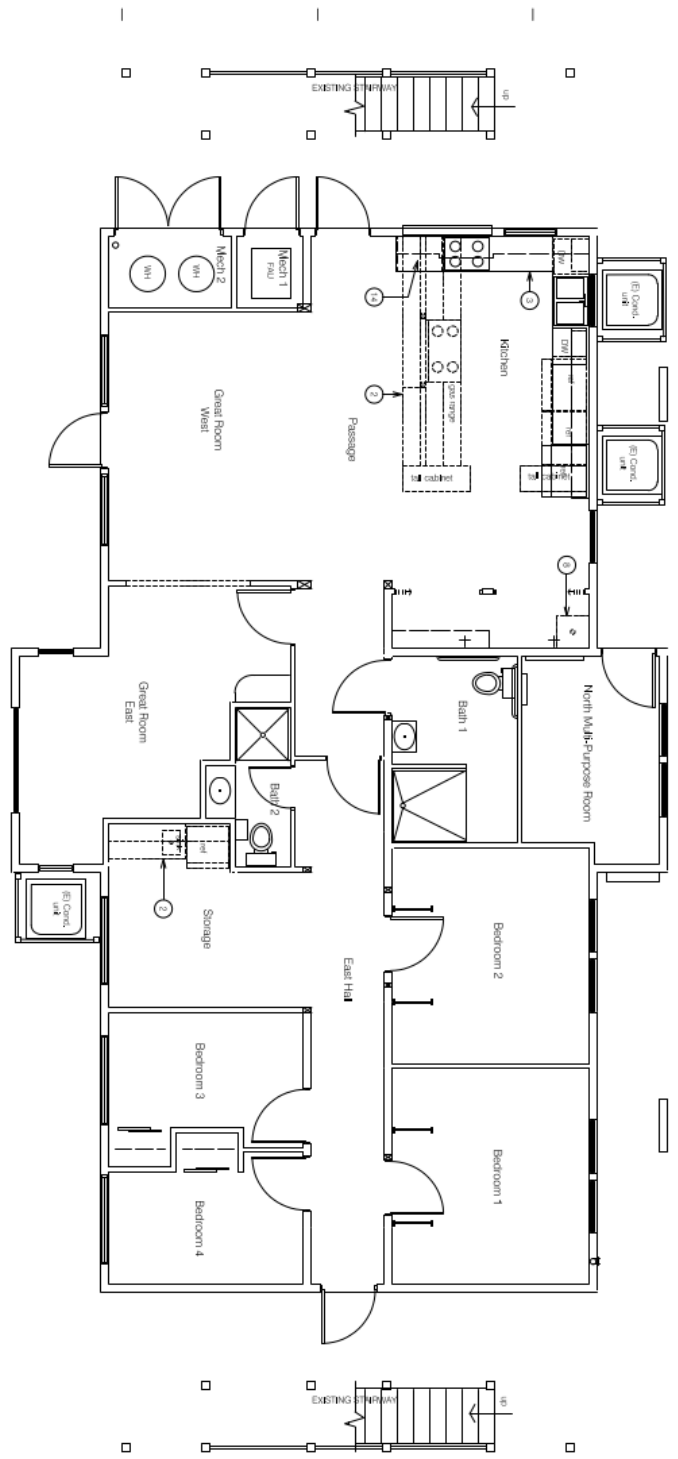
City reserves the right to negotiate any price or provision, task order or service, accept any part or all of any proposals, waive any irregularities, and to reject any and all, or parts of any and all proposals, whenever, in the sole opinion of City, such action shall serve its best interests and those of the tax-paying public. The Proposers are encouraged to submit their best prices in their proposals, and City intends to negotiate only with the Proposer(s) whose proposal most closely meets City’s requirements at the lowest estimated cost.

### **Prevailing Wage**

Proposers shall take cognizance of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on certain “public work” and “maintenance” projects. The Proposer must agree to fully comply with and to require its subcontractors/subconsultants to fully comply with such Prevailing Wage Laws to the extent applicable.

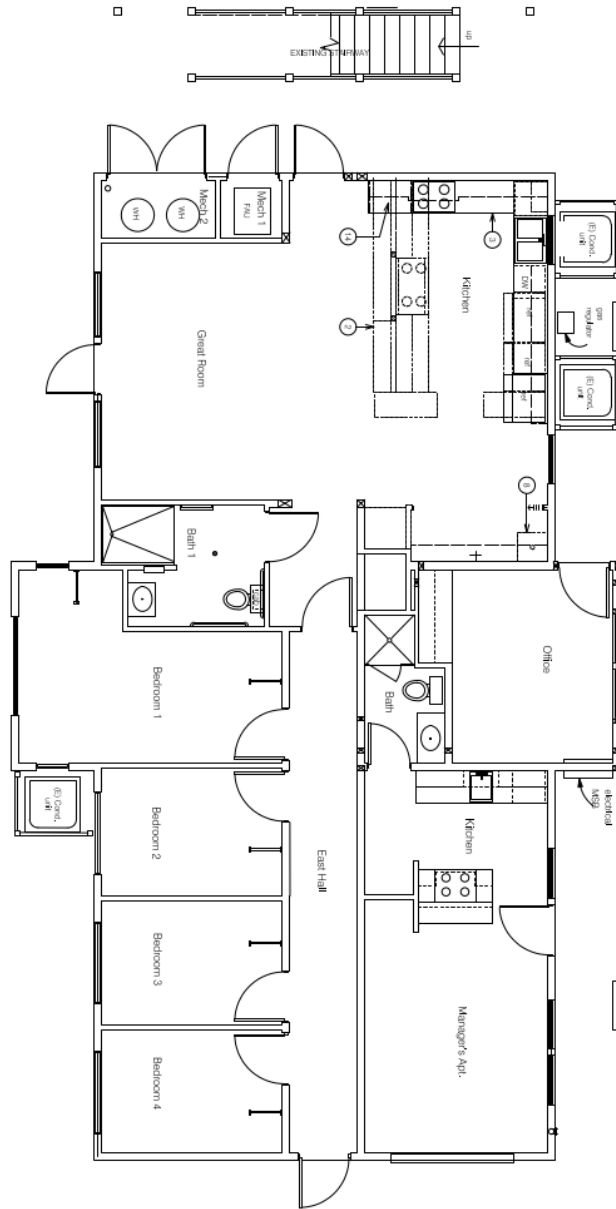


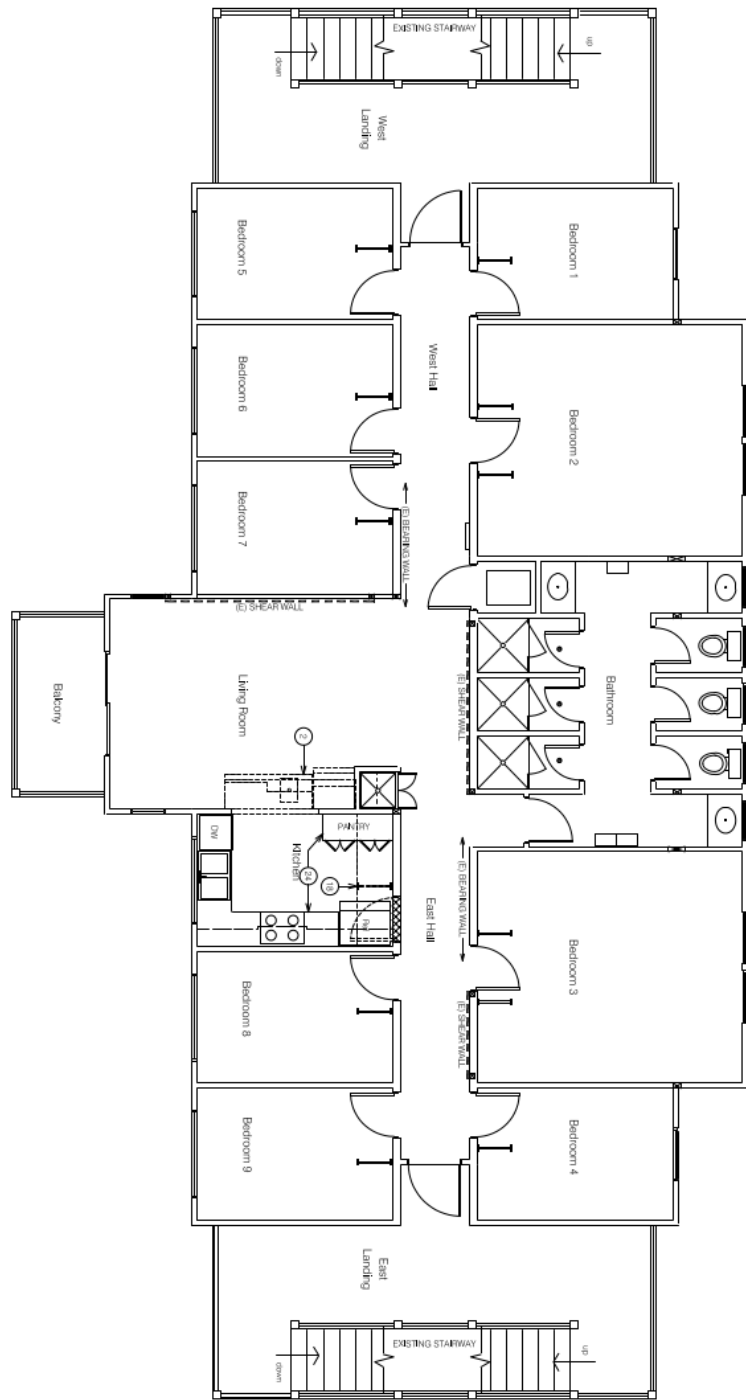
1 | FIRST FLOOR PLAN | SCALE: 1/8" = 1'-0"



1 FIRST FLOOR PLAN

SCALE: 1/4" = 1'-0"





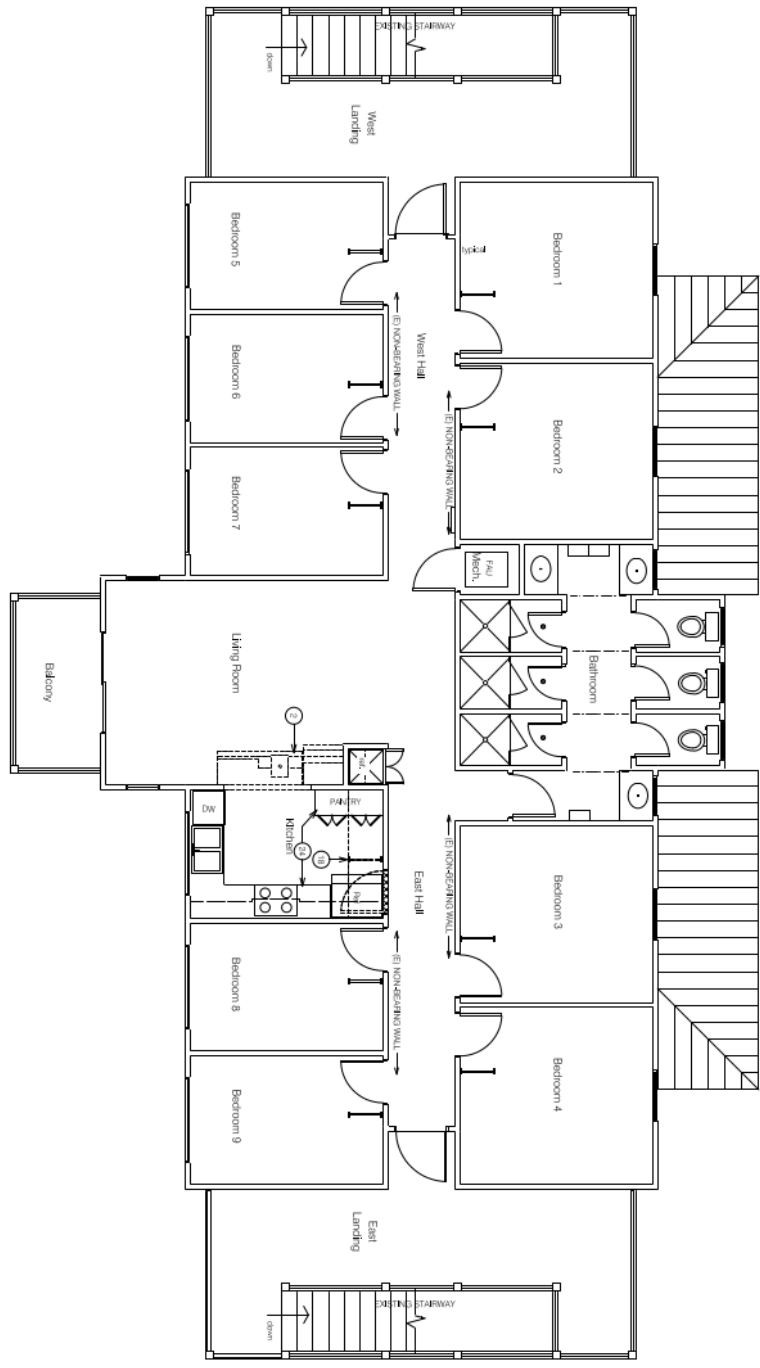
1 SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"



1 THIRD FLOOR PLAN

SCALE: 1/4" = 1'-0"



# ATTACHMENT B: BACKGROUND INFORMATION ON YOLO COUNTY APPLICATION

## YOLO COUNTY ADULT RESIDENTIAL TREATMENT FACILITY

### Background

In the community stakeholder process relating to **Yolo County’s Mental Health Services Act (MHSA) funding**, the following targets were set:

- Wellness Centers in the three highest population centers of the County
- **An Adult Residential Treatment Facility (ART) to assist individuals with high needs who currently live out-of-county to have increased opportunities for in-County care**

In April, 2017, the Yolo County Board of Supervisors approved both projects, allowing the Yolo County Health & Human Services Agency (HHSA) to develop a third Wellness Center in Davis, adding to the existing Centers in Woodland and West Sacramento, and allowing HHSA to expend approximately **\$1 million for an in-County ART**.

Following an extensive search across multiple areas of the County, a partnership has developed which will locate the ART at the Pacifico property in South Davis.

The initial project partners – HHSA, the City of Davis, and Yolo County Housing (YCH) – have proceeded with the ART development launch efforts, including community engagement, barrier mitigation and a conditional use permit application.

In addition, HHSA hired a consultant knowledgeable in ART State and Licensing requirements, who assisted in review of the Pacifico location for program feasibility overall. HHSA has also completed a Request for Proposals process, and is poised to initiate a contract with a long-term, knowledgeable provider of residential treatment services for individuals with high-end mental health support needs.

### Project Goal

The project aims to improve outcomes for adults with a serious mental illness (SMI) in Yolo County by:

- Decreasing the use of Institutional placements;
- Reducing the average length of stay in acute psychiatric hospitals; and
- Increasing the number of Yolo County residents with SMI who are able to receive services in the least restrictive setting appropriate to their needs, within their home community, thereby increasing family and social connectedness.

#### Target Population

Adults with SMI who are either:

- At risk of placement in an institutional setting (such as Institutions for Mental Disease (IMD) or Mental Health Rehabilitation Centers (MHRC)); or
- Transitioning back to the Yolo community from an institutional placement.



# YOLO COUNTY ADULT RESIDENTIAL TREATMENT FACILITY

## Project Description

The ART Facility will provide a community-based residential treatment alternative with a planned total of 16 beds, typically for a period of up to 18 months, for adults with SMI who are at risk of being placed in an institutional setting, and for adults who are transitioning back into the Yolo community from an institutional placement. The facility's primary functions will include:

- Providing psychosocial and clinical services to residents, including medication monitoring;
- Providing a safe and supportive, supervised, recovery-oriented environment for adults who do not require a secure treatment setting to stabilize; and
- Providing individual, family, and group treatment for mental health and co-occurring disorders, including milieu and activity-based interventions.

The Facility will be licensed as an Adult Residential Facility by California Community Care Licensing and certified as a transitional residential program through the California Department of Health Care Services.

## Project Funding

- \$1million

## Project Partners

- **City of Davis** will work with YCH and HHSa to complete the conditional use permit process and transition the property to YCH.
- **California Community Care Licensing (CCL)** will license the project site.
- **California Department of Health Care Services (DHCS)** will certify the treatment program.
- **Yolo County Health and Human Services Agency (HHSa)** will oversee the contract, provide the client referrals, and partner with the Art service provider to support the individuals who reside in the program.