



DESTINATION: **HOME**

Request for Qualifications

Supportive Housing Development Partners

Submission Deadline: **December 3, 2018 at 5:00pm PST**

This request for qualifications (RFQ) seeks to identify qualified developer partners and encourage the development of a significant number of supportive housing units in Santa Clara County. Selected partner(s) may receive capacity building grants, operating support, site-specific acquisition opportunities, pre-development funding, and other forms of flexible assistance with the end goal of increasing supportive housing development and production locally.

Executive Summary

Destination: Home is a public-private partnership serving as the backbone organization for collective impact strategies to end homelessness in Santa Clara County. Destination: Home drives and aligns resources to create permanent housing and sustainable support systems built for the long term. The organization is improving how systems work together to end homelessness, as well as protect individuals and families at risk of becoming homeless.

This request for qualifications (RFQ) seeks to identify qualified developer partners and to encourage the development of supportive housing units in Santa Clara County over the next five years. The RFQ aims to attract developers to create innovative, affordable supportive housing coupled with robust on-site services for formerly homeless adults, families, and youth. Partners selected through this process must demonstrate some supportive housing development experience, mission-alignment and commitment to the work of ending homelessness, and willingness to investigate and implement approaches and methods to create new housing more quickly and cost-effectively. In turn, selected developers will enter into partnership agreements with Destination: Home and be eligible to request and receive capacity building grants, flexible operating support, early-stage investment and pre-development funding, and other forms of assistance. The goal of work funded through these partnerships is to increase the overall production of supportive housing units in Santa Clara County for the next five years.

Background

In 2015, Destination: Home and the County of Santa Clara released the largest and most comprehensive study conducted in the United States to understand the true cost of homelessness in Santa Clara County. The report - "Home Not Found" - analyzed nearly 25 million public records to identify the annual cost of homelessness in this community. Additionally, the report outlined the cost of services provided to more than 100,000 county residents wrestling with long and short-term homelessness. This work showed that nearly \$520 million each year was being spent to manage homelessness locally.

This data, coupled with a new 2015-2020 Community Plan to End Homelessness in Santa Clara County, helped support the passage of the 2016 Measure A, a \$950 million affordable housing bond that will create thousands of housing opportunities for formerly homeless and extremely low-income residents in the next decade. With this funding and the commitment of non-profit partners and government agencies, the community in Santa Clara County now has an opportunity to invest in services and support that will reduce system costs, while also providing long-term solutions to a historically challenging problem. A key part of this work will be developing the 6,000 new supportive housing opportunities called for in the Community Plan.

Eligibility and Minimum Requirements

As noted above, Destination: Home is seeking to build capacity for developers committed to increasing the pipeline and production of supportive housing units in Santa Clara County. This RFQ invites interested developers to submit information that will enable them to be selected as qualified partners for operational capacity building grants and other forms of support from Destination: Home. Qualified developers are those who have a track record of successful completion of affordable and/or supportive housing development from initial community engagement through project design, entitlements, financing, construction, and occupancy. Qualified developers must bring a sense of urgency and commitment to the overall work of ending homelessness and a vision for how to produce more supportive housing units in Santa Clara County quickly and cost-effectively.

Respondents to this RFQ must be comprised of the following: a non-profit developer with experience developing and operating permanent supportive housing in California or a for-profit developer working in partnership with a nonprofit developer, of which one of the joint-venture partners must have experience developing and operating permanent supportive housing in California. The Developer must also have experience working with supportive services providers, property management companies, and other partners focused on ensuring high-quality housing and services for vulnerable populations. Lastly, the development team must have demonstrated experience conducting effective community outreach and engagement. Respondents will be evaluated according to the criteria set forth below, including experience with comparable projects, capacity, and the ability to deliver and maintain excellent supportive housing developments for the community.

To be considered for selection, the lead developer itself or in partnership with other co-developers must provide evidence of the following minimum requirements for funding eligibility:

- experience managing new construction of affordable housing developments, with an aggregate unit count of at least 150 affordable units;
- development and operation of at least two supportive affordable housing developments for formerly homeless adults, families, and/or youth (may be new construction or substantial rehabilitation of an existing building); one of which includes at least 30% of the units as supportive housing;
- experience with collaborative community outreach and planning efforts for the development of supportive and/or affordable housing;
- demonstrated capacity to complete complex multifamily projects within established budget parameters and within constrained timeframes; and
- use of Low Income Housing Tax Credits and other complex financing structures.

For joint-venture development partners, the experience of either entity may suffice for the joint-venture partnership. A memorandum of understanding between joint-venture development partners must be submitted with the final application.

Qualifications Evaluation Criteria

This RFQ will select developers committed to working on efforts to end homelessness in Santa Clara County, but who also may need support or capacity to effectively increase their pipeline and production of supportive housing units. Specifically, Destination: Home seeks to partner with developers who have a proven ability to employ acquisition strategies to source new land opportunities, create financing plans that leverage outside resources effectively, engage community stakeholders, and design, develop, and operate housing that serves the residents and enhances the existing neighborhood. Respondents must discuss their qualifications – and/or demonstrate an understanding of the current operational gaps in their organization – needed to meet the requirements in each of the following areas:

A. Development Experience and Capacity

Affordable housing development experience will be evaluated as it reflects the respondent's demonstrated ability to successfully carry out a quality supportive housing project from acquisition to occupancy in a timely manner. Among the factors that will be considered are:

- quality of construction and design in projects completed or currently being built by the respondent;
- cost-effectiveness of past development projects and Respondent's demonstrated ability to stay within budget;
- tenure of key staff including director of development and project manager;
- extent of the respondent's experience, in terms of number, size, population type, and scale of projects completed within the last seven (7) years;
- current and planned projects of housing development that may limit the ability of the respondent in undertaking additional work;
- past or current collaborations with supportive service providers to provide onsite services to residents; and
- experience working on issues around homelessness, particularly with supportive housing and/or the housing first model.

B. Community Involvement and Support

Community involvement and support will be evaluated by respondent's proven ability to obtain the backing of community stakeholders and provide benefits to the community through past developments. Among the factors that will be considered are:

- ability to effectively execute a strategy to get community support – including elected officials, neighborhood groups, and business owners – in the pre-development phase of past projects;
- experience integrating community uses and benefits into respondent's existing buildings (e.g. child care centers, community health clinics, food distribution sites);

- past work to ensure continuous community engagement with building residents and the surrounding neighborhoods, including after construction is complete and the development is fully occupied; and
- examples of success addressing neighborhood concerns and community issues related to specific developments.

C. Commitment to Supportive Housing Development

Respondents must be able to demonstrate an organizational commitment to identifying and creating new supportive housing opportunities over the next five years. Each successful respondent will enter into an agreement outlining these terms, but necessary components will include:

- A percentage of all 2019-2024 projects in Santa Clara County will contain supportive housing units;
- A target number for total supportive housing units from 2019-2024; and
- All 2019-2024 supportive housing projects will be aligned with the County's 2016 [Measure A funding requirements](#).

In addition, the respondents must commit to utilizing the Housing First model and to utilizing the local Coordinated Assessment System to identify those persons experiencing homelessness who are most vulnerable. This system will be used as the method of tenant selection for all integrated supportive housing units.

D. Ability to Finance

While additional resources may be made available for selected partners to increase capacity for new developments, respondents must demonstrate adequate financial resources, experience, and capacity to undertake the development of a supportive housing project. Consideration will be given to the respondent's capacity to secure construction and permanent financing, meet construction lender's equity requirements, absorb any cost overruns, and commence and complete construction of respondent's entire project in a timely manner. To demonstrate capacity to secure construction and permanent financing, respondents may provide evidence to support their ability to finance, including:

- past three years of audited financials;
- summary of experience utilizing LIHTC, tax-exempt bonds, and other affordable housing capital funds;
- developer fee receivables schedule;
- bank or other lender references; and
- any current financial commitments that could impact future developments.

Submission Instructions

The proposal narrative should not exceed five (5) pages, excluding attachments, using 1” margins and 12-point font. Proposals should include:

- summary response to “Eligibility and Minimum Requirement” section
- detailed response to all categories of “Qualifications Evaluation Criteria” section, including:
 - A. Development Experience and Capacity
 - B. Community Involvement and Support
 - C. Commitment to Supportive Housing Development
 - D. Ability to Finance
- discussion of operational needs that currently exist at your organization, which create barriers for the acquisition of new land opportunities, production of more supportive housing units, and/or effective community outreach and engagement
- any other supporting documentation

Please submit any questions and your completed proposal packet electronically to grants@destinationhomesv.org. Proposals will only be accepted via e-mail. Applications are due on **December 3, 2018, by 5:00pm PST.**