



**Request for Proposals
Redevelopment Agency
of the City of Davis**

**233 and 239 J Street
Affordable Housing Project**

Submittal deadline (extended): April 17, 2009

Staff contact: Danielle Foster
Community Services Department
23 Russell Boulevard
Davis CA 95616

Phone Number: (530) 757-5691

Email Address: dfoster@cityofdavis.org

RFP Website: <http://cityofdavis.org/housing/affordable/3rd-and-j.cfm>

The Redevelopment Agency of the City of Davis is pleased to issue this *Request for Proposals* (RFP) for the development of affordable housing on an agency-owned site. This RFP is for the properties located at 233 and 239 J Street, in the Old East Historic Neighborhood of Davis. The City is inviting interested affordable housing developers to submit project proposals for completion of the planning and development of this site at Third and J Streets.

Background

In August 2005, the City of Davis, acting as the Davis Redevelopment Agency, purchased the two 6,000 square foot lots located at 233 and 239 J Street, within the Old East neighborhood R-2 CD area (Residential One and Two Family Conservation District). As currently zoned, these lots can accommodate two primary housing units on each, for a potential of four single-family homes. The Agency originally purchased these lots using affordable housing funds, with a goal to achieve the following objectives:

- Provision of affordable ownership housing near the downtown.
- Provision of owner-occupied units on these lots.
- Consideration of the relocation of historic and contributing historic homes to these lots, based on rehabilitation costs, moving costs, and the availability of appropriate homes.
- Consideration of site-built affordable housing as an alternative to the relocation of homes, estimating a minimum of 4 to 6 units.

It has been three and a half years since the purchase of these lots. The Agency has a five-year deadline to renew its intent to develop, use, or sell the properties and repay the affordable housing fund. In the time since purchase, approval of the B and Third Streets Visioning Plan has revived discussions related to the relocation of homes. Staff conducted outreach to owners of vintage houses in the B and Third Streets area. The owners of 311 and 315 B Street (Paul and Nancy Aiken) have indicated interest in considering opportunities for relocating one or both of their houses to the J Street properties.

Based on stated interest by the owners of 311 and 315 B Street, five conceptual project options were developed to aide discussion of how the project properties could be developed in an effort to accomplish the Redevelopment Agency Board's original objectives in purchasing the Third and J properties. The five options considered development options that ranged from use of the houses at both 311 and 315 B Street to use of only the 311 B Street house and the development of a triplex next to it. Feedback from the neighbors, a historical review, and a fiscal analysis of the options, led to staff's recommendation and City Council support for Option B. All of the options are attached to this RFP as additional information and further discussion of these options can be found in the December 9, 2008 staff report on this item. The report is posted online at: http://cityofdavis.org/meetings/councilpackets/20081209/RDA_J_Street.pdf

Option B (City Council preferred option):

This option would move both of the 311 and 315 B Street houses to the project properties. The houses would be sited on individual parcels oriented facing east toward J Street. The relocated houses would be set back from the sidewalk and street consistent with other residences on the block at twenty feet. Under this proposal a three car garage with an upper story unit would be constructed at the rear of each lot behind the relocated houses. The upper story unit would be a one-bedroom unit comprised of 580 square feet and would be provided as either a secondary unit or a condominium unit. Access to the parking and these rear units would be from the shared driveway on the west end of the project properties. The units would likely be sold individually

with the deed restrictions listed in the affordability section below, and the project will likely require the formation of a Homeowner's Association to maintain the common areas of the project.

Total units: 4 units (2 relocated houses and 2 secondary one-bedroom apt or condo)

Total parking spaces: 6 spaces (6 covered spaces)

A conceptual site plan of this option can be found as Attachment 4.

Submittal Deadline and Requirements: Proposal submittals shall be received (either by email, in-person, or by mail) no later than **5 p.m. on April 17, 2009**, to dfoster@cityofdavis.org or to Attn: Danielle Foster- 3rd and J RFP, City of Davis Community Services Department, 23 Russell Boulevard, Davis, California 95616. Submittals that are received after the deadline or are determined to be incomplete will not be considered. Submittal requirements are covered in the Submittal Cover Sheet found as Attachment 1 of this document. If city staff needs additional information, beyond what is stated, it will be requested. If a second part of the selection process is added after review of the proposals, you will be notified.

Project Setting

The project site is located on the southwest corner of Third Street and J Street, within the 200 block of J Street. The two properties are currently vacant, aside from a driveway easement on the west end of the property. There is a citrus tree on the property that was previously reviewed by the city arborist. He determined that the tree could be removed and mitigated for during construction of the site. The driveway for the properties is shared with the existing duplex at 227 J Street that has access from both J Street and the shared driveway off of Third Street. This shared driveway is also intended to serve as the primary access for residences on the project properties at 233 and 239 J Street. (Maintenance of this driveway should be considered within the project proposal.) The project properties are surrounded by single-family residential units and some multi-family residential uses. Continuing a block east or west, some commercial uses can be found, but they do not appear in the immediate surroundings of the project. The project site is zoned R-2 CD (Residential One and Two Family Conservation District), which allows either two single family units or a duplex on each lot as a permitted use. The zoning on the project properties also works to ensure compatibility with the historic character of the existing neighborhood. The complete zoning information for these two properties can be found at the following website:

<http://cityofdavis.org/cmo/citycode/printsection.cfm?chapter=40§ion=04A>

or is available for purchase at the City of Davis Community Development Department.

Project Requirements

Affordability

The City hopes to identify an affordable housing developer to coordinate the relocation of two houses and on-site new construction of a project similar to what was identified as Option B. This option would accomplish local goals of preserving local vintage homes and providing ownership units to serve low and moderate income households with incomes from 80% to 120% of Area Median Income (AMI). Due to the Redevelopment Housing Funds that have been invested, these units cannot exceed prices affordable to a moderate income household. The City may request that this project provide all low income (80%) units in order to meet the city's Regional Housing Needs Allocation (RHNA), but the City Council indicated a desire to see a budget that maximizes unit sales at moderate income prices (120%) as well. Please provide a project budget that estimates sell of all units at 80% AMI and one with all units at 120% AMI at a minimum.

Standard City affordable housing requirements require the following deed restrictions to be recorded with the development and sale of affordable ownership units:

- Owner-occupancy requirements that the owner(s) occupy the unit as his/her/their primary residence
- Limited appreciation, capped at 3.75% compounded annual appreciation, prorated daily
- Requirement of a Right of First Refusal to the City of Davis for use by the City or its designee in order to ensure future sales to income-qualified households. Inclusion of a one percent administrative fee to the City or its designee to pay for costs in administering the Right of First Refusal.

Note: A sample affordable housing deed restriction can be provided upon request.

Homebuyer Education

In order to prepare the future owners of this project for the homebuying process and ensure their success as owners in this affordable ownership opportunity, the City hopes to see inclusion of a homebuyer education component as part of the successful applicant's application. Educational tools related to the deed restrictions for these houses and related to ongoing maintenance and neighbor communication are essential. Good communication with neighbors will be of particular importance given the expectation for shared common areas (parking, open space, etc.) and also due to the close proximity and shared driveway with the large duplex located at 227 J Street.

Relocation and Use of 311 and 315 B Street- House Details and Costs

The three-bedroom house at 311 B Street was built in 1931 and is approximately 1,540 square feet. This house will likely need some updating to the electrical system and does not have central heating and air conditioning, which should be added. Costs for relocation and placing this unit on the J Street properties should be included in project proposals.



Request for Proposals: 233 and 239 J Street
Redevelopment Agency of the City of Davis

The three-bedroom house at 315 B Street was built in 1935 and is approximately 1,168 square feet. This roof has not been replaced in recent years. This house will likely need some updating to the electrical system and does not have central heating and air conditioning, which should be added. Costs for relocation and placing this unit on the J Street properties should be included in project proposals.



The owners of 311 and 315 B Street are in negotiations with the City regarding these two houses and their relocation to the J Street parcels. The owners are willing to provide the two houses for relocation and rehabilitation at 233 and 239 J Street. Rather than coordinate relocation with the project developer, share warranty/liability in the project, or bid work that a non-profit might get donated, the owners are offering a monetary contribution to the project that would be provided through the City. The contribution being offered represents the cost of demolishing 315 B Street, a unit that was not protected under local historic requirements, and the costs of moving 311 B Street and providing it a foundation and utility connections. The amount being offered as a contribution to the project is \$93,000. This is an amount that is non-negotiable for the project developer; it is a negotiation between the City and the owners of 311 and 315 B Street. Please specify in your project budget whether and how these funds would be used in your proposal. It is anticipated that the City/Agency will coordinate a multi-party agreement related to the homes at 311 and 315 B Street, giving responsibility of home relocation of these units to the developer of 233 and 239 J Street.

The owners of 311 and 315 B Street utilize these properties as rental properties to local college students. The owners have stated a desire to coordinate house relocation and project construction

timing around the typical lease year for these properties. This would optimally result in relocation of the houses in late June 2010, after the UC Davis school year ends.

When preparing a project budget for your proposal, staff understands that additional information regarding the condition of these houses might be necessary. The owners of the houses, Paul and Nancy Aiken, have agreed to provide the following dates and times during which prospective applicants can do a walkthrough of each house:

- Friday, March 13th, 3pm-4:30pm
- Friday, March 27th, 3pm-4:30pm

City/Agency Financial Assistance

The City Council has stated a clear desire to minimize additional costs on this project. Some have also stated a desire to recapture some of the \$853,000 already invested in the land value of these parcels. While the fiscal analysis (Attachment 6) completed on the project options shows a likely need for project subsidy, the assumptions used in the analysis were based on cost estimates and an average affordability at 100% of Area Median Income. The City Council has interest in seeing project costs with prices at 120% of Area Median Income and prices at 80% of Area Median Income.

The City of Davis does have a Redevelopment Agency and these two parcels are within its project area. Project subsidy from the Agency's Housing Set-Aside Fund can be considered as part of this RFP, but based on Council discussion at their December 9, 2008 meeting it is unlikely that the Agency will be interested in investing a large amount of additional funds. The Agency originally estimated that up to \$200,000 in additional subsidy could be dedicated to this project. Project cost to the City/Agency will be a factor as proposals are reviewed under this RFP.

Community Outreach

The Old East Neighborhood where this project site is located has a very active neighborhood association. The City of Davis has worked over the past year to gain feedback from the neighbors and keep them up-to-date as project options were considered, and a historic review and fiscal analysis of the options were completed. Feedback from the neighbors included the following comments:

Items of Neighborhood Consensus

- Support for the relocation of at least one existing house
- Request for neighborhood involvement/input on the project design
- Project adherence to existing historic guidelines
- General preference towards ownership housing
- Concern regarding existing parking for 227 J Street in shared driveway (easement)

Questions/Concerns of Individual Neighbors

- Question regarding the effects of affordable housing on property values
- Discussion of possibility of preserving existing tree
- Consideration of common open space within the project
- Request to consider potential survey mistake on block, which could reduce actual property sizes by up to 30'

The neighbors have also stated a preference for ownership units on the two lots and were supportive of staff's recommendation for Option B. Neighbors have also requested the opportunity to provide input on the design of the new construction elements of the project. The successful applicant should be willing to conduct consistent outreach with neighbors of the project site throughout the project's planning and development stages. Outreach will include communication and coordination with the residents of 227 J Street regarding use and improvement of shared driveway. With 227 J Street being a rental property, timing project development during summer months would be ideal.

Planning Application and Environmental Review

Even though the project is likely able to meet the existing setbacks, lot coverage, open space, and other zoning requirements of the R-2 CD zoning, the project would require submittal of a planning application and review by the Historical Resources Commission and Planning Commission. Additionally, the Old East Neighborhood, where this project site is located, has adopted design guidelines. The Downtown Design Guidelines (that include Old East) can be obtained from the city's Community Development Department, or the residential section can be viewed at the following website: <http://cityofdavis.org/cdd/design/pdfs/final-part3-complete.pdf>. A design review, environmental review, and a probable minor modification on setbacks would need to go to the Planning Commission and would likely cost from \$3,000-\$4,000 in planning application fees. The project would likely be categorically exempt from a larger environmental review pursuant to CEQA Guidelines Section 15332, which exempts projects characterized as in-fill development. Larger deviations from the setback, lot coverage, and other requirements of the R-2 CD Zoning would require application for a Planned Development zoning for the project. This application would require an additional \$5,000 deposit for planning fees, with any unused funds returned to the applicant.

"Build It Green" Ordinance and Carbon Footprint

The City of Davis has adopted requirements that promote green building concepts in new and rehabilitated housing units. More information about these requirements can be found at: http://cityofdavis.org/cdd/green_building.cfm and can be discussed with Greg Mahoney, Assistant Building Official at (530) 757-5610. Generally, the relocated houses in this project will only have green building requirements based on remodels done to the unit. Relocation of the house should not trigger green building requirements. The new construction units will have green building requirements. Given the location of the project, its proximity to public transit, and other characteristics of the preferred option, meeting green building requirements in this project should not be a challenge. Assistant Building Official Mahoney encouraged that the project developer contact him early to ensure that the project is planned with these standards in mind. Any additional green features, including solar aspects and energy efficiency measures will be reviewed and considered favorably in the review of proposals under this RFP.

Accessibility and Visitability

Based on the size and density of this project, the City's accessibility and visitability policy does not apply to this project. However, if there are aspects of the project that can promote "aging in place" or other features of accessibility, those features would be looked upon favorably by the City/Agency. Some basic features of accessibility to consider would include:

- Open floorplans in the new units
- Grab bar backings in the bathroom walls of the new units
- Access options into the relocated homes

Note: The City is not expecting an elevator in any of the units.

Proposal Requirements

Eligible applicants

The City welcomes applications from affordable housing developers throughout the region who are interested in working on this infill affordable ownership project. The City hopes to collect proposals from developers who have project experience with detailing site layout and unit design, utilizing public outreach and feedback, undergoing project planning review, obtaining building permits, processing subdivision maps with the State, coordinating the relocation of existing vintage homes, selecting and educating low and moderate income buyers, and managing the overall development costs of a small affordable housing project that incorporates existing homes.

Scope of Work

The selected developer will be required to complete development of the properties at 233 and 239 J Street within the Agency's affordability requirements and other stated goals. The developer will complete the designing of the project (incorporating opportunity for neighborhood input), will submit the necessary planning application and building permit application, and will coordinate the relocation and construction of the affordable homes. The Agency plans to deed the property to the identified developer once the project plans are approved and funding sources have been identified.

Review criteria

Selection criteria are included as an attachment to this document. Proposals will be evaluated for completeness in responding to the information submittal requirements and project requirements in this RFP and the criteria that is listed. Incomplete applications will not be considered.

Selection process

Applications will be reviewed in relation to prior experience with the development of small ownership housing development, affordable housing development, green development, and experience with utilizing relocated houses. It is difficult to estimate early on in the process, but a draft budget for the project is requested with each applicant proposal. Staff also hopes to receive information regarding resources and experience that the applicant brings to this project.

City staff will review each submittal and may request that the applicant clarify, supplement, or provide additional background on certain aspects of the information. Staff may choose to conduct interviews with the top candidates and will gain recommendation from the Social Services Commission prior to requesting final action by the City Council/Agency Board. Final decisions regarding proposals for this site are estimated to be scheduled for a May or June City Council meeting, but the dates below can be adjusted as needed by staff.

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Redevelopment Agency of the City of Davis

Tentative Review Schedule

Issuance of Request for Proposals	February 27, 2009
Proposals Due	April 17, 2009
Staff Review, Questions, and Meetings	April/May 2009
Social Services Commission Review of Applicants	May/June 2009
City Council Review and Action	June/July 2009

Additional Information

Questions or requests for additional information should be directed to the address or email address on the Cover Sheet to this RFP, or call (530) 757-5691, and ask for Danielle Foster, the City's Housing and Human Services Superintendent. The City has also established a webpage for this affordable housing property located at:

<http://cityofdavis.org/housing/affordable/3rd-and-j.cfm>

Attachments:

1. Submittal Cover Sheet and Requirements
2. Summary of Selection Criteria
3. Location Map
4. Preferred Project Option- Option B
5. Other Project Options Considered
6. Fiscal Analysis Summary Sheet

REDEVELOPMENT AGENCY OF THE CITY OF DAVIS
REQUEST FOR PROPOSALS
AFFORDABLE HOUSING SITE

233 AND 239 J STREET

Submittal Cover Sheet

APPLICANT:

ADDRESS:

PHONE:

FAX:

EMAIL:

PROPOSAL SUBMITTAL REQUIREMENTS

1. Description of Development

- Ownership structure: describe ownership structure proposed, including how units will be subdivided and sold;
- List of previous related developments with addresses (including local projects), brief description of physical design, financing structure (if affordable housing), information regarding project type and design;
- Preliminary estimate of project costs, including resources applicant has or plans to obtain for the project and any need for city/agency assistance;
- Experience with neighborhood meetings and outreach;
- Experience with affordable ownership housing development;
- Experience with the development of small ownership projects;
- Experience with energy-efficient development and development in historic neighborhoods;
- Statement regarding level of understanding of typical zoning requirements and the State of California Uniform Building Code;
- Statement of familiarity with condominium projects and the State Department of Real Estate, please cite completed projects that have required DRE approval;
- Statement of previous projects that required compliance with local and federal funding requirements for contracts, including opportunities for women and minorities, competitive bidding, prevailing wage and cost reporting;
- Evidence of familiarity with any funding (state or federal) opportunities that could assist with the development and/or sale of the units in this project;
- Anticipated timeline for the completion of this project, overall availability;
- Experience with construction management of similar projects; and
- References of people and organizations you have worked with on previous projects.

**REDEVELOPMENT AGENCY OF THE CITY OF DAVIS
REQUEST FOR PROPOSALS
AFFORDABLE HOUSING SITE
SUMMARY OF SELECTION CRITERIA – 233 AND 239 J STREET**

1. Completeness of submittal requirements.
2. Capacity of organization to work with neighbors, city staff, and city commissions in developing a project that is suitable for the location and consistent with City Council direction.
3. Cost of the project being proposed, particular consideration of resources that the applicant can bring to the project and potential additional costs to the City/Agency.
4. Creativity and willingness to balance city objectives, project costs, and neighborhood input.
5. Housing experience in the following areas: small ownership housing developments, energy-efficient/green housing, affordable housing, relocation and renovation of existing housing, projects in historic neighborhoods.
6. Location of applicant and overall accessibility to city staff and public.
7. Knowledge of funding opportunities and experience utilizing those sources.
8. Consistency with the project requirements listed in the RFP.
9. Overall experience with the steps related to planning, gaining local approval, and developing a small ownership housing project.
10. Proposed steps to ensure long-term project success and affordability.