



City of Grover Beach Request for Proposals Longbranch Avenue Affordable Housing Project February 1, 2008

Objective

The City of Grover Beach and the Grover Beach Improvement Agency (“City”) are seeking a qualified contractor / developer and or non-profit agency to partner with in the development of an affordable housing project on property currently owned by the Agency.

The property consists of 6,875 sq ft and is zoned R-3 multi-family residential. It is the City’s intent to partner with a contractor/non-profit agency having the capability to design, entitle and build up to four (4) single family units. Once completed on the site, the units shall be offered to families qualifying as *low-income* or *very-low income* house holds in accordance with San Luis Obispo County HCD income limits.

Property Description and Location

As noted, the property consists of 6,875 sq ft and is located at **506 Longbranch Avenue** in the City of Grover Beach. The parcel is further identified as APN 060-271-016. The site is rectangular in shape and is situated on the corner of South 5th Street and Longbranch Avenue. The width of the lot is approximately 50 ft. The property is within easy walking distance of downtown Grover Beach and provides easy access to public transportation. The Agency purchased the property in July 2007 and it is unencumbered. A Phase I environmental review was completed at the time of the original purchase. The subject property is located in a residential zone, with multi-family residential and single family residential units in the immediate area. Currently the site is improved with a small, single family residence with a patio room addition, which will need to be demolished as a part of the project.

Adjoining Properties

The adjoining properties may be available for acquisition, and parties interested in responding to this proposal are encouraged to review these opportunities as a means of augmenting the Longbranch Affordable Housing Project.

City of Grover Beach / Improvement Agency Assistance

The Grover Beach Improvement Agency is the owner of the subject property. Additionally, the City of Grover Beach is the recipient of a HOME Investment Partnership Act (HOME) grant in the amount of \$350,967. These funds are intended to be utilized for development of affordable housing. The City will enter into a *Development and Disposition Agreement*, a *Loan Agreement*, and a *Regulatory Agreement* with the successful proposer for this project.

The *Disposition and Development Agreement* will serve as the master agreement and will incorporate all responsibilities and performance criteria to be met by the successful proposer as well as the City.

The *Loan Agreement* will provide the mechanism to loan the successful proposer the proceeds of the HOME grant with zero payments at zero percent interest as long as the terms of the loan agreement are met. HOME grant dollars will be made available to the successful proposer for all project construction-related costs once the entitlement process with the City is completed. The Loan Agreement will also be used to convey an amount equivalent to a portion of the value of the land provided by the Improvement Agency.

In the event the project is completed and sold to *low-income* households:

50% of the value of the land will be made available to the project as a loan with the remainder made available as a grant to the project.

In the event the project is completed and sold to *very-low income* households:

25% of the value of the land will be made available to the project with the remainder made available as a grant.

For the purposes of calculation, the “value of the land” shall be based on the purchase price the Agency paid for the land in 2007. **It should be noted that the use of these federal funds may trigger the need to comply with federal Davis Bacon wage laws.**

The *Regulatory Agreement* will provide the mechanism for the transfer of the actual property and will carry with it a requirement to guarantee the affordability of the units for a period of forty-five (45) years.

Obligations of Successful Proposer

The successful proposer will be responsible for design, entitlement and development through the sale of developed properties to qualified homeowners. Specifically, the proposer will be responsible for:

1. Designing a project that meets the affordability requirements as set forth in this RFP;
2. Designing a project that complements the neighborhood and meets all applicable standards of the City;
3. Completing all required environmental review, including any review required to meet the release of HOME funds;
4. Completing the entitlement process for this project with the City;
5. Completing all permitting requirements established through the entitlement process;
6. Constructing the project; and
7. Completing the sale of the project to qualified homeowners.

Submittal Requirements

The following are submittal requirements for this Request for Proposals:

Ten (10) copies of all requested materials are required to be submitted.

1. **Development Entity** - Please describe the development entity and identify the key members with names and addresses. Provide relevant qualification and project specific experience of the principals.
2. **Proposer History** - Describe past relevant project experience. Please provide the following information for each past project identified:
 - Location and photographs of the projects; and
 - Brief history of the project and the identification of any unique challenges encountered.
3. **Project Description** - Provide a brief project description including: at a minimum, your approach to the project; the number and type of units to be produced; any anticipated financial partners for the project, if any; a project budget; and a project timeline.
4. **Financial Capability** - Two (2) copies of the financial materials must be submitted under separate, sealed cover, along with other submittal materials. The submittal envelope must clearly designate the envelope as “Financial Capacity Documents” and should include the following:
 - An “audit” or “review” of financial statement for the proposer or proposer team that clearly indicates the proposer has the financial capability to complete the project.
 - List of the specific relationships (and contact information) for the entity (or entities) that provided the debt and equity invested in the projects identified in the “Proposer History Section”.
 - Any real estate loan obligation of the proposer / proposer team that have been foreclosed on, as a result of or in default.

Please note that in accordance with Federal Section 3, small businesses, minority-owned firms, and business enterprises owned by women are encouraged to submit proposals.

Evaluation Criteria

Proposals received will be evaluated based on the following:

1. Project description;
2. Demonstration of financial ability to complete the project;
3. Past experience of proposer / proposer team in completing similar projects in a time and cost effective manner;

4. Affordability of the project produced; and
5. Project timeline.

Submittal Deadline

Proposals must be received at the City of Grover Beach City Management Office, located at 154 South 8th Street, Grover Beach, CA 93433 by **Monday, March 3, 2008, no later than 4:30 p.m.**

All responses must be addressed to Robert Perrault, City Manager, and marked “*Longbranch Affordable Housing Project*”.

Screening Process

All proposals meeting the submittal requirements will be initially reviewed by a staff panel consisting of the City Manager, Community Development Director, and the City Attorney. Following this review, the top responders may be invited to an interview. The final selection of the successful proposer will be made by the City sometime in March/April 2008. The City reserves the right to reject all proposals.

Questions regarding this Request for Proposal can be made to Robert Perrault, City Manager, either in writing at the City Hall address indicated above or by contacting him directly by telephone at (805) 473-4567 or by e-mail to bperrault@grover.org.