

# REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

JUNE 19, 2018

TITLE:

**AUTHORIZE ISSUANCE OF FISCAL YEAR  
2018 – 2019 REQUEST FOR PROPOSALS  
FOR AFFORDABLE HOUSING  
DEVELOPMENT  
{STRATEGIC PLAN NO. 5, 3}**

A handwritten signature in black ink, appearing to read "C. Muniz", is written over a horizontal line.

CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1<sup>st</sup> Reading
- ☐ Ordinance on 2<sup>nd</sup> Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For \_\_\_\_\_

CONTINUED TO \_\_\_\_\_

FILE NUMBER \_\_\_\_\_

## **RECOMMENDED ACTION**

Authorize the Community Development Agency to release a Fiscal Year 2018 – 2019 Request for Proposals seeking proposals to develop affordable rental and ownership project(s) in the City of Santa Ana with funding from the HOME Investment Partnerships Program, Community Development Block Grant Program, Project Based Voucher Program, and Housing Successor Agency Fund.

## **DISCUSSION**

Under Section III of the Affordable Housing Funds Policies and Procedures adopted by City Council on March 20, 2018, the Housing Division, upon City Council approval, will issue a Request for Proposals (RFP), for available funds. The RFP will be open (an "Open RFP Process") and provide sufficient time for applicants to identify an eligible site and complete and submit a proposal. The RFP will be open four (4) times on a quarterly basis for one year to submit a proposal scheduled throughout the year.

As such, staff is requesting authorization to release the Fiscal Year 2018 – 2019 Request for Proposals for affordable housing to be developed in Santa Ana (Exhibit 1).

The available funds for this RFP is equal to the total amount of HOME Investment Partnerships Program funds, Community Development Block Grant Program funds, Project-Based Voucher Program vouchers, Low and Moderate Income Housing Asset funds (Housing Successor Agency funds), Neighborhood Stabilization Program funds (NSP), and/or any other funds received by the City of Santa Ana for affordable housing purposes as published on a quarterly basis as an exhibit in the Housing Division Quarterly Report. Inclusionary Housing Fund in-lieu fee pending payments and any other funds that have not yet been received by the City shall not be considered as available funds.

Available program funds may be used for development loans for the following eligible purposes:

- (1) The purchase of existing multi-family or other buildings for rent or sale to low- and very low-income households and for the development of congregate housing for rent to low- and very low-income persons with special needs (e.g. homeless individuals and families, elderly, persons with a disability). Except for congregate housing, existing buildings shall consist of four or more units, unless the Executive Director finds that a substantial public benefit will be provided by a project consisting of less than 4 units.
- (2) The purchase or lease of land and buildings for new construction or rehabilitation of housing that may utilize available State and Federal housing assistance programs such as Low-Income Housing Tax Credits, the Section 202 Supportive Housing for the Elderly Program, tax-exempt bond financing, Section 811 Supportive Housing Program, and/or other available State and Federal programs.
- (3) The development of limited-equity housing cooperatives through either conversion or new construction.
- (4) The provision of interim loan funds for any of the above purposes prior to the funding of a public or private loan. Eligible development costs for the above uses include, but are not necessarily limited to:
  - a. site acquisition and preparation;
  - b. rehabilitation of dwelling units, common areas and related structures;
  - c. new construction;
  - d. carrying charges and financing fees;
  - e. architectural, legal, and organizational fees;
  - f. temporary or permanent tenant relocation costs; and
  - g. developer fees consistent with the policies described in Section IV below.

The available funds for this RFP will be as follows:

- Low and Moderate Income Housing Asset Fund (Housing Successor Agency Fund):
  - \$901,317
- HOME Investment Partnerships Program (HOME):
  - \$2,470,651
    - \$384,573 of the total funds above must be expended by August 31, 2018
- Community Development Block Grant Program (CDBG):
  - \$1,534,129
- Project-Based Voucher Program (PBV):
  - 100 Housing and Urban Development (HUD) Veterans Affairs Supportive Housing Vouchers
- Neighborhood Stabilization Program (NSP):
  - \$1,239,599

**Land Assets Owned by the Housing Authority**

Staff is requesting approval to issue this RFP for the development of land currently held by the Housing Authority within the City of Santa Ana. The proposed development of the properties would be solely for the development of affordable housing. The land assets will be awarded under a 99-year ground-lease option such that the land will remain with the City as a long-term public benefit.

The land assets owned by the Housing Authority and available for development under this RFP is as follows:

- (1) 302 E. Twenty-Second Street
- (2) 801, 809 & 809 ½ E. Santa Ana Blvd
- (3) 826 N Lacy / 830 N. Lacy Street
- (4) 1126 & 1146 E. Washington Ave.

Full descriptions of the properties are listed in the attached RFP.

The Housing Authority currently owns the land assets, and intends to retain ownership of the site and enter into a long-term ground lease for 99 years with one or more selected developers. The Housing Authority owned parcel(s) will be conveyed through a ground lease, in an as-is condition. As it will be stipulated in the ground lease, the value of the land and the site preparation costs will be provided to the project as a land subsidy in the form of a promissory note.

The RFP is scheduled for release on July 1, 2018 with proposals due halfway through each FY quarter on August 15, 2018, November 15, 2018, February 15, 2019 and May 15, 2019. The RFP will be announced through notices to the following parties:

- Interested Developers and Nonprofit Organizations on the Housing Division's RFP Process Database
  - Developers and Nonprofit Organizations interested in being added to the RFP Process Database can do so by contacting the City's Housing Division
- Other affordable housing membership association resources (e.g. Southern California Association of Nonprofit Housing, Kennedy Commission, 2-1-1 OC, etc.)
- Public Notice in the local newspaper
- Published on [www.Planetbids.com](http://www.Planetbids.com)

**Reservation of Inclusionary Housing Funds**

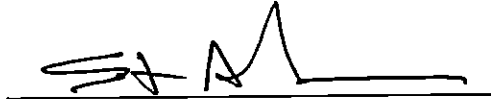
In light of local and regional efforts to address homelessness, staff believe that it is prudent to retain \$3,141,974 of our Inclusionary Housing Fund balance from the RFP. If unallocated, the hold may be removed at a later date while the RFP is open. If additional funds are received beyond the \$3,141,974, staff will make those funds available in the RFP that is open.

**STRATEGIC PLAN ALIGNMENT**

Approval of this item supports the City's efforts to meet Goal #5 - Community Health, Livability, Engagement and Sustainability, Objective #3 (facilitate diverse housing opportunities and support efforts to preserve and improve the livability of Santa Ana neighborhoods).

**FISCAL IMPACT**

There is no fiscal impact associated with this action.

A handwritten signature in black ink, appearing to read 'SA Mendoza', is written over a horizontal line.

Steven A. Mendoza  
Executive Director  
Community Development Agency

Exhibit: 1. Draft Request for Proposals

# REQUEST FOR PROPOSALS

RFP # 18-056

## AFFORDABLE HOUSING DEVELOPMENT



**CITY OF SANTA ANA**  
**Community Development Agency**  
**20 Civic Center Plaza**  
**Santa Ana, CA 92701**

**Judson Brown**  
**Housing Division Manager**  
**Tel: (714) 667-2241**  
**[jbrown@santa-ana.org](mailto:jbrown@santa-ana.org)**

### KEY RFP DATES:

<b>Issue Date:</b>	<b>Monday,</b>	<b>July 2, 2018</b>	
<b>Quarterly Proposal Due Dates:</b>	<b>Wednesday,</b>	<b>August 15, 2018</b>	<b>at 5:00PM</b>
	<b>Thursday,</b>	<b>November 15, 2018</b>	<b>at 5:00PM</b>
	<b>Friday,</b>	<b>February 15, 2019</b>	<b>at 5:00PM</b>
	<b>Wednesday,</b>	<b>May 15, 2019</b>	<b>at 5:00PM</b>

## **NOTICE INVITING PROPOSALS**

**NOTICE IS HEREBY GIVEN** that proposals will be received from qualified firms (Developers/Proposers) for the development of affordable housing projects in the City of Santa Ana. Responses to this Request for Proposals (RFP) will be accepted and evaluated on an on-going basis during Fiscal Year (FY) 2018 – 2019 with four quarterly deadlines. **Available affordable housing funds and land assets being made available in this RFP are subject to change. Please review Exhibits 1 and 2 of the most recent Housing Division Quarterly Report approved by City Council for the most current information.** Proposals shall not exceed the total Available Funds as published on a quarterly basis in the Housing Division Quarterly Report.

The RFP Process will be open ("Open RFP Process") and provide sufficient time for applicants to identify an eligible site and complete and submit a proposal in response to the RFP announcement. The RFP Process will be open for at least one fiscal year with four (4) quarterly deadlines to submit a proposal scheduled throughout the year. After each deadline for the Open RFP Process, staff shall review the Proposals to determine that the minimum Program and RFP Process requirements are met (minimum threshold review). Proposals that do not meet the minimum threshold review will be considered non-responsive. If the Proposal meets the minimum threshold review, staff will form a Review Panel. The Review Panel for the RFP Process will consist of at least one employee from the City of Santa Ana Public Works Agency, Planning and Building Agency, and Community Development Agency, and one outside agency or government entity.

Using the scoring and selection criteria provided in the RFP, the Review Panel shall determine whether the proposal is recommended for a pre-loan commitment, with or without conditions. Including the scoring and selection criteria, the Review Panel shall review the design of the proposed project for appropriateness for the proposed target group, compatibility with surrounding uses, cost effectiveness of construction, and appropriateness of the design and construction for low maintenance and long term durability. Proposed projects must receive a minimum threshold score of 75 points to move forward with the proposal review process. If the Review Panel determines, in its discretion, that the proposal may be recommended for approval, the Housing Division shall request an underwriting and subsidy layering review by a real estate advisor selected by the City of Santa Ana and paid for by the proposer. The real estate advisor shall confirm the underwriting for the project, the financial gap, and other programmatic requirements related to the funding sources. If the Review Panel determines that the proposal will not be recommended for approval (i.e. the proposal does not meet the minimum threshold score of 75 points), the proposer will be notified in writing of the decision and the results will be published in the Housing Division Quarterly Report.

It is the responsibility of the proposer to ensure that any proposals submitted shall have sufficient time to be received by the City of Santa Ana prior to the quarterly proposal due date and time. Any questions regarding the Request for Proposals shall be made in writing via e-mail to Judson Brown, Housing Division Manager, at [jbrown@santa-ana.org](mailto:jbrown@santa-ana.org).

### **MAILED, DELIVERED BY HAND, OR COURIERED PROPOSALS WILL BE ACCEPTED AS FOLLOWS:**

City of Santa Ana  
Judson Brown, Housing Division Manager  
Community Development Agency  
20 Civic Center Plaza, Sixth Floor  
Santa Ana, CA 92701

**PLEASE DO NOT E-MAIL RFP RESPONSES.**



**CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY  
REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT**

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**CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY  
REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT**

**I. INTRODUCTION**

The City of Santa Ana (City) and the Housing Authority of the City of Santa Ana (Authority) are issuing this Request for Proposals (RFP) for the development of affordable housing in the City. Proposed developments may be for acquisition and/or rehabilitation of eligible properties for rental or transitional housing; acquisition and conversion of non-residential property to multifamily rental housing units; and/or new construction of housing units for rental housing. **Available affordable housing funds and land assets being made available in this RFP are subject to change. Please review Exhibits 1 and 2 of the most recent Housing Division Quarterly Report approved by City Council for the most current information.** New funds from in-lieu fee payments received under the City's Housing Opportunity Ordinance; the implementation and disbursement of local funds under the Building Homes and Jobs Act; additional Housing Successor Agency funds; project-based vouchers or other local, state, or federal funds may become available during Fiscal Year 2018 – 2019 while this RFP is open. Proposals shall not exceed the total Available Funds as published on a quarterly basis in the Housing Division Quarterly Report.

**Available Funds for this RFP:**

The available funds for this RFP may include the total amount of Inclusionary Housing Funds, HOME Investment Partnerships Program, Community Development Block Grant Program, Project-Based Voucher Program, Low and Moderate Income Housing Asset Funds (Housing Successor Agency Funds), Neighborhood Stabilization Program Funds (NSP), and/or any other funds received by the City of Santa Ana for housing purposes as published on a quarterly basis in the Housing Division Quarterly Report. Inclusionary Housing Fund in-lieu fee pending payments and any other funds that have not yet been received by the City shall not be considered as available funds.

Available program funds may be used for development loans for the following eligible purposes:

- (1) The purchase of existing multi-family or other buildings for rent or sale to low- and very low-income households and for the development of congregate housing for rent to low- and very low-income persons with special needs (e.g. homeless individuals and families, elderly, persons with a disability). Except for congregate housing, existing buildings shall consist of four or more units, unless the Housing Division Manager finds that a substantial public benefit will be provided by a project consisting of less than 4 units.
- (2) The purchase or lease of land and buildings for new construction or rehabilitation of housing that may utilize available State and Federal housing assistance programs such as Low-Income Housing Tax Credits, the Section 202 Supportive Housing for the Elderly Program, tax-exempt bond financing, Section 811 Supportive Housing Program, and/or other available State and Federal programs.
- (3) The development of limited-equity housing cooperatives through either conversion or new construction.



- (4) The provision of interim loan funds for any of the above purposes prior to the funding of a public or private loan. Eligible development costs for the above uses include, but are not necessarily limited to:
- a. site acquisition and preparation;
  - b. rehabilitation of dwelling units, common areas and related structures;
  - c. new construction;
  - d. carrying charges and financing fees;
  - e. architectural, legal, and organizational fees;
  - f. temporary or permanent tenant relocation costs; and
  - g. developer fees consistent with the policies described in Section IV below.

Please refer to the Affordable Housing Funds Policies and Procedures adopted by City Council on March 20, 2018 for more information.

**As of the date of issuance, the Available Funds for this RFP will be as follows, subject to change:**

- **Low and Moderate Income Housing Asset Fund (Housing Successor Agency Fund):**
  - \$901,317
- **HOME Investment Partnerships Program (HOME):**
  - \$2,470,651
    - \$384,573 of the total funds above must be expended by August 31, 2018
- **Community Development Block Grant Program (CDBG):**
  - \$1,534,129
- **Project-Based Voucher Program (PBV):**
  - 100 Housing and Urban Development (HUD) Veterans Affairs Supportive Housing Vouchers
- **Neighborhood Stabilization Program (NSP):**
  - \$1,239,599.00

**Land Assets Owned by the Housing Authority:**

The Housing Authority of the City of Santa Ana acting as the Housing Successor Agency (Authority) is also issuing this RFP for the development of land currently held by the Authority within the City of Santa Ana. The proposed development of the properties would be solely for the development of affordable housing. The land assets will be awarded under a 99-year ground-lease option.

**The Land Assets owned by the Housing Authority and available for development under this RFP is as follows:**

**(1) 302 E. Twenty-Second Street**

- a. APN: 003-122-25
- b. Lot Size: 27,817sf
- c. Current Zoning: R1
- d. Parcel was purchased using Low and Moderate Income Housing Asset Fund - 20% Set Aside
- e. Previous Use: Purchased from Cal Trans. It was a remnant parcel from the freeway widening project. The site was vacant and undeveloped at the time it was acquired.

**(2) 801, 809 & 809 ½ E. Santa Ana Blvd**

- a. APN: 398-303-04 / 398-303-05 / 398-303-06 / 398-303-07
- b. Lot Size: 15,000sf
- c. Current Zoning: SD84

- d. Parcel was purchased using Low and Moderate Income Housing Asset Fund - 20% Set Aside (801, 807, 809 & 809 1/2). Includes 807 E. Santa Ana Blvd.
- e. Previous Use:
  - i. 801 – Demolished single family dwelling in 2011.
  - ii. 807 – Acquired through a foreclosure action. Demolished single family dwelling and detached garage in 2000.
  - iii. 809 & 809 1/2 – Acquisition through Fannie Mae in 1998. Demolished two single-family dwellings in 1999.

**(3) 826 N Lacy / 830 N. Lacy Street**

- a. APN: 398-041-22 / 398-041-18
- b. Lot Size: 8,843sf / 7,405sf
- c. Current Zoning: SD19
- d. Parcel was purchased using Low and Moderate Income Housing Asset Fund - 20% Set Aside (both parcels)
- e. Previous Use: 830 was formerly 412 E. Vance Street. Demolished a six-unit apartment building and garage in 1995.

**(4) 1126 & 1146 E. Washington Ave.**

- a. APN: 398-092-14
- b. Lot Size: 62,347sf (1.43 Acres)
- c. Current Zoning: SD-84
- d. Parcel was purchased using Low and Moderate Income Housing Asset Fund - 20% Set Aside
- e. Previous Use: Purchased from Cal Trans. Remnant parcel from freeway widening project. Cal Trans demolished five buildings on the site in the early 1990s. The site was vacant and undeveloped when it was acquired by the City.

The Housing Authority currently owns the land assets, and intends to retain ownership of the site and enter into a long-term ground lease for up to 99 years, as legally applicable, with the selected developer. Respondents should assume that the Housing Authority owned parcel will be conveyed through a ground lease, in an as-is condition. As it will be stipulated in the ground lease, the value of the land and the site preparation costs will be provided to the project as a land subsidy in the form of a promissory note.

Please see Exhibit H for maps of each parcel.

## **II. SCOPE OF WORK**

The Scope of Work will include any and all work efforts related to the **Affordable Housing Development** per **EXHIBIT A - SCOPE OF WORK**.

Available funds can be used for a variety of housing types and preferences. Please see the table below for the allowable uses of funds for each source of funds:

Source of Funds	Income at or below 80%	Mixed Income	Non U.S. Citizens	Mixed Use Projects	Adaptive Reuse	New Construction of Rental Housing	Acquisition / Rehabilitation of Rental Units	Homeownership
Housing Successor Agency Funds	X	X		X	X	X	X	
Inclusionary Housing Funds	X	X	X	X	X	X	X	X
HOME Program Funds	X	X		X	X	X	X	X
CDBG Program Funds	X				X		X	
Project-Based Vouchers		X		X	X	X	X	
Neighborhood Stabilization Program	X					X	X	X

The Developer shall be an independent developer capable of providing experienced, knowledgeable and professional staff. The Developer shall be responsive and maintain excellent working relationships with city residents, businesses, government officials and City staff. The Developer shall provide adequate staffing levels at all times and adhere to established schedules. The Developer shall be knowledgeable of and comply with federal, state and local laws, including the Santa Ana Municipal Code, as it applies to their proposal.

### III. GENERAL INFORMATION

- A. Following the RFP Process and conditional on meeting other requirements and conditions, a pre-loan commitment letter may be drafted by the Housing Division, reviewed and approved by the Housing Division Manager, the City Attorney's Office, and the Executive Director of Community Development, before being recommended for approval by the City Council. The letter shall state the maximum amount of program funds and/or land asset reserved for the project and list all of the additional conditions, documents and steps that must be taken by the Borrower prior to loan closing.
- B. When determined appropriate, the City will provide information in its possession relevant to preparation of required information in the RFP. The City will provide only the staff assistance and documentation specifically referred to herein.
- C. The Developer shall be responsible for retaining data, records and documentation for the preparation of the required information. These materials shall be made available to the City as requested by the City.
- D. This RFP does not commit the City to pay costs incurred in preparation of a response to this RFP. All costs incurred in the preparation of the proposal, the submission of additional information and/or any aspect of a proposal prior to award of a written contract will be borne by the respondent. The City reserves the right to accept or reject the combined or separate components of any proposal in part or in its entirety or to waive any informality or technical defect in the proposal.
- E. All data, documents and other products used, developed or produced during response preparation to the RFP will become property of the City. All responses to the RFP shall become property of the City. City will make best efforts to maintain Proposer information identified as proprietary information confidential, to the extent allowed under the California Public Records Act.
- F. The City reserves the right to reject, replace or approve any and all subcontractors. All subcontractor(s) shall be identified in the response to the RFP and the City reserves the right to reject any subcontractor(s).

Subcontractors shall be the responsibility of the Developer and the City shall assume no liability for such subcontractors.

**IV. COORDINATION**

Coordination by the awarded Developer with the City, other contractors and agencies will be required to achieve satisfactory and timely delivery of the required work. Coordination may include, but not be limited to, coordination with impacted businesses, neighborhood and civic groups, local and/or state agency boards and staff, or attendance at Community Redevelopment and Housing Commission meetings or City Council meetings.

The City will decide the manner in which the coordination efforts will be conducted. At the City's option, coordination efforts may be performed by the Developer's direct contact, by the Developer acting through the City or by the City only. When coordination efforts require agreements, such agreements shall be coordinated with the City.

**V. DEVELOPER RESPONSIBILITIES**

The selected Developer will assume responsibility for all aspects of the development, and for insuring that the project is developed and operated in accordance with applicable state and federal laws. The selected Developer will ensure that the project is developed and operated in accordance with the City laws, regulations, and planning and development process.

**VI. CITY BUSINESS LICENSE**

The selected proposer shall be required to obtain a City of Santa Ana business license within 30 days of selection and must provide a copy to the City project manager or designee prior to commencing any work in Santa Ana.

**VII. RULES FOR PROPOSALS**

The signer of the proposal must declare in writing that the only person, persons, company or parties interested in the proposal as principals are named therein; that the proposal is made without collusion with any other person, persons, company or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud; and, that the signer of the proposal has full authority to bind the proposer (Exhibit F).

**VIII. PRE-PROPOSAL MEETING**

The City will not have a pre-proposal meeting for this RFP.

**IX. E-MAIL COMMUNICATIONS AND INTERPRETATIONS/CLARIFICATIONS**

To facilitate the RFP process, proposers are required to monitor and respond to e-mail requests within 48 hours. No oral interpretations will be made by the City to any proposer as to the meaning of requirements identified herein including the Scope of Work. Every request for such an interpretation must be made in writing via e-mail to Judson Brown, Housing Division Manager, at [jbrown@santa-ana.org](mailto:jbrown@santa-ana.org). Significant interpretations or clarification will be made by an addendum to this RFP, which will be posted to the website. Addenda may become part of the agreement documents.

## **X. ADDENDA**

If clarification or interpretation of this RFP is considered necessary by the City, a written addendum shall be issued and the information will be posted on the City's website at [www.santa-ana.org/bids-rfps](http://www.santa-ana.org/bids-rfps).

It is the responsibility of each proposer to periodically check the City's website to ensure that they have received and reviewed any and all addenda to this RFP.

## **XI. SUBMITTAL REQUIREMENTS INFORMATION AND DEADLINE**

Proposals are due to the City of Santa Ana, at the date, time and location set forth on the Notice Inviting Proposals. Faxed and e-mailed proposals will not be accepted.

## **XII. MINIMUM QUALIFICATIONS**

Proposers shall have a minimum of five (5) years recent experience in the development and operation of affordable housing projects similar to their proposed project.

## **XIII. SUBMITTAL REQUIREMENTS**

Proposers shall submit **seven complete hard copies** of their proposal, and **one additional electronic copy** on a USB flash drive.

All seven copies of the proposal must include a signed cover letter. This cover letter must include a declaration that the only person, persons, company, or parties interested in the proposal as principals are named herein; that the proposal is made without collusion with any other person, persons, company, or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud, and that the signer has full authority to bind the proposer. It must also include an email address and contact information for the signer.

**All proposal submissions shall be on 8-1/2" x 11" white paper.**

All project proposals must contain the following minimum submission requirements:

### **1) Statement of Qualifications (SOQ). The SOQ must include the following components:**

- a) **Developer Team.** An organizational chart showing lines of responsibility, as well as a list of team members and their duties as part of the team. If the developer is a nonprofit corporation, or if a nonprofit is one of the team members, the SOQ must include documentation that the corporation is certified by the U.S. Internal Revenue Service as a 501(c)3 tax exempt non-profit corporation, and is in good standing with both state and federal compliance. Developer needs to identify if any contractor(s) and/or subcontractor(s) are a subsidiary to any member of the development team.
- b) **Developer Experience.** A narrative describing recent affordable residential development and management experience, with an emphasis on experience gained in the last five years on projects similar to the one being proposed.
  - i) Include project name and type (special needs, senior, large family, etc.), project address, developer team members, unit count and bedroom type, affordability requirements, and funding sources in your description.
  - ii) Include a description of how neighborhood input was solicited and utilized in the development of these projects.

c) **Financial Capacity.** Description of the developer's financial strength and ability to obtain project financing, and to provide sufficient equity for the successful completion of the proposed project.

i) Include a description of current relationships with major lending institutions.

ii) Any developer that is selected for recommendation to City Council, or if a partnership, the team members who will retain an ownership interest in the project, will be required to submit complete financial statements for the last three years. Because of the possibility of public records requests, the City cannot guarantee that these statements will remain confidential.

d) **References.** Include a list of at least three references from public agency partners and professional lenders/investors with full names, contact information, and identification of the project(s) worked on. SOQs must be limited to a maximum of 25 pages, excluding front and back covers, section dividers, and exhibits.

2) **Project Description.** Detailed and concise narrative describing the proposed project, including at a minimum and as appropriate the development concept for the site or a description (with photographs) of the building to be acquired or developed, proposed building square footage, number of units and bedrooms per unit, total parking spaces, proposed ingress and egress, proposed affordability levels, any special needs groups or target population to be served, amenities to be provided to the tenants, and resident manager's unit. If there will not be a resident manager for a rental project, describe in detail how the project will be managed.

For all projects, the narrative must also address site control, current zoning and any required zoning changes, anticipated development costs, City and Authority funds required, requested City and Authority loan terms, developer access to additional funds required for the project, and proof that the property is under contract. This narrative should be accompanied by a site map showing the project's location.

The narrative must include a description of the various sources of financing that will be needed to complete the project as both a 4% Low-Income Housing Tax Credit deal and as a 9% Low-Income Housing Tax Credit deal. The narrative should provide a projected tie breaker score for 9% Low-Income Housing Tax Credits with a best-case and worst-case scenario based on the financing stack being pursued, with a relative comparison to the most recent tie breaker scores for the type of project being proposed in the last three 9% tax credit rounds. Clearly state if the project will be ready to apply for 9% Low-Income Housing Tax Credits during FY 2018 – 2019. This should include evidence of progression towards planning entitlements and other requirements necessary for the tax credit application. Clearly state if the project will be competing with another project owned by the developer in Orange County for an upcoming 9% Low-Income Housing Tax Credit round, including a comparison of the projected tie breaker scores for both projects.

3) **Development Pro Forma.** Identify the sources and uses of all funds necessary to complete the project, including the project's anticipated cash flows over a period of years equal to 15 years and 30 years. The pro forma should identify important underlying assumptions that govern the cash flows, including but not necessarily limited to, the amounts and frequency of loan repayments (all sources), annual rent increases, occupancy levels, operating costs as a percent of revenue, timing and amounts of replacement costs. The cost estimates in the Sources and Uses budget should assume the payment of Davis-Bacon prevailing wages and relocation benefits, if applicable. The pro forma must include a calculation of the return on investment to the developer.

4) **Projected Rental Income.** Include evidence that the rental income shown in the pro forma is reasonable and achievable. If proposing all rents to be at low-income, include a market study that supports that this is achievable.

- 5) **Participation of Low-Income Residents and Businesses.** Describe the steps to be taken to ensure maximum feasible participation of local low income residents and businesses in the development of the project. Describe how the project will be developed and operated so as to insure compliance with all relevant components of the Americans with Disabilities Act.
- 6) **Proposed Development Schedule.** Taking as a starting point City Council approval of the pre-loan commitment letter, provide a proposed development schedule that includes the following milestones at a minimum: site acquisition, additional required loan commitments and funding from all other funding sources, zoning change approvals (if necessary), preparation and approval of construction plans, start of construction, completion of construction, and lease-up.
- 7) **Current Tenants.** Provide a listing of all tenants currently residing in the units, if applicable.
- 8) **Proposer shall complete and return the following Exhibits attached herewith:**
  - a) **Exhibit B – Alignment with the City's Housing Element and Strategic Plan**
  - b) **Exhibit C – Additional Insured Endorsement for Commercial General Liability Policy (*Not required until after Developer selection*)**
  - c) **Exhibit D – Proposer's Statement**
  - d) **Exhibit E – Certification of Nondiscrimination**
  - e) **Exhibit F – Non-Collusion Affidavit**
  - f) **Exhibit G – Commitment to Enter into Memorandum of Understanding with the Santa Ana Work Center**

The proposal must be completely responsive to the RFP. Incomplete proposals will be deemed as nonresponsive and will be rejected. The City reserves the right to reject any or all proposals submitted and no representation is made hereby that any commitment will be awarded pursuant to this RFP or otherwise.

#### **XIV. DEVELOPER SELECTION – PROPOSAL AND EVALUATION**

After each quarterly deadline for the Open RFP Process, staff shall review any proposal(s) to determine if the minimum program and RFP Process requirements are met (minimum threshold review). Proposals that do not meet the minimum threshold review will be considered non-responsive. If the Proposal meets the minimum threshold review, staff will form a Review Panel. The Review Panel for the RFP Process will consist of at least one (1) employee from the City's Public Works Agency, Planning and Building Agency, and Community Development Agency, and one (1) outside agency or government-entity. If an employee is not available in one City Agency, a second employee may be requested from one of the other two City Agencies so long as there are at least two of the three City Agencies represented on the Review Panel.

Using the scoring and selection criteria provided below, the Review Panel shall determine whether the proposal is recommended for a pre-loan commitment. Including the scoring and selection criteria, the Review Panel shall also review the design of the proposed project for appropriateness for the proposed target group, compatibility with surrounding uses, cost effectiveness of construction, and appropriateness of the design and construction for low maintenance and long term durability. Proposed projects must receive a minimum threshold score of 75 points to move forward in the proposal review process. If the Review Panel determines, in its discretion, that the Proposal may be recommended for approval, the Housing Division shall request an underwriting and subsidy

layering review by a real estate advisor selected by the City and paid for by proposer. The real estate advisor shall confirm the underwriting for the Project, the financial gap, and other programmatic requirements related to the funding sources. If the Review Panel determines that the Proposal will not be recommended for approval (i.e. the Proposal does not meet the minimum threshold score of 75 points), the Developer will be notified in writing of the decision and the result will be published in the Housing Division Quarterly Report.

Each member of the Review Panel will evaluate and rank each proposal using the evaluation criteria listed below:

<b>COMPETITIVE SELECTION CRITERIA</b>	
<b>1. LEVEL OF AFFORDABILITY AND TARGET POPULATION (Max. 25 Points)</b>	<b>ELIGIBLE POINTS</b>
Project significantly increases affordable housing opportunities for large families (three- and four-bedroom units)	10
Project provides a higher percentage of units for extremely low-income households with deeper affordability	10
Project increases affordable housing opportunities for special needs populations including, but not limited to, homeless individuals and families, and persons with a disability	5
<i>Sub-total</i>	25
<b>2. TIMELINESS TO BUILD NEW HOUSING (Max. 20 Points)</b>	
Project has demonstrated site control	7
Project is zoned appropriately	5
Project does not have any other site-related issues	5
Project aligns with the City's Housing Element, Strategic Plan, and/or 5-Year Consolidated Plan	3
<i>Sub-total</i>	20
<b>3. PROPERTY MANAGEMENT EXPERIENCE AND SKILLS (Max. 15 Points)</b>	
Project is energy efficient and incorporates green-building techniques	6
Applicant's ability to manage affordable rental units to ensure ongoing compliance with affordability requirements and long term financial solvency	3
Applicant's past experience in property management	3
Applicant's capacity and ability to quickly lease completed units	3
<i>Sub-total</i>	15
<b>4. DEVELOPER EXPERIENCE AND SKILLS (Max. 15 Points)</b>	
Applicant's capacity and ability to obtain additional funding	4
Applicant's capacity and ability to obtain entitlements	4
Applicant's overall past and projected effectiveness to provide affordable housing	4
Applicant's past and projected effectiveness to manage the construction process and stay on schedule	3
<i>Sub-total</i>	15
<b>5. LEVERAGING OF CITY FUNDS (Max. 5 Points)</b>	
Applicant's potential or capacity to obtain additional financing	5
<i>Sub-total</i>	5



<b>6. ANTICIPATED CASH FLOWS (Max. 15 Points)</b>	
Project's proposed development costs are reasonable and comparable	3
Project's proposed rents are realistic	3
Project's operating costs are realistic and reasonable	3
Project has sufficient operating and replacement reserves	3
Project is projecting a positive cash flow through affordability period	3
<i>Sub-total</i>	15
<b>7. PROJECT LOCATION (Max. 5 Points)</b>	
Project is located in an area currently underserved by affordable housing	5
<i>Sub-total</i>	5
<b>TOTAL ELIGIBLE POINTS</b>	<b>100</b>

The minimum score to be considered for a pre-loan commitment is 75 points out of 100 points total.

#### **XV. PUBLIC RECORDS**

Proposals will become public record after submission of the proposal. Interested offerors may submit a written request to receive the results of the evaluation. City will make best efforts to maintain Proposer information identified as proprietary information confidential, to the extent allowed under the California Public Records Act. Submit your request to, City of Santa Ana Community Development Agency, Attn: Judson Brown, Housing Division Manager, 20 Civic Center Plaza M-26, Santa Ana, CA 92701.

#### **XVI. FILING A PROTEST**

In the event of a dispute of the decision of the Review Panel, proposers may file a "protest" with the City's Community Development Agency. In order for a proposer's protest to be considered valid, the protest must:

1. Be filed in writing within five (5) business days of notification of rejection;
2. Clearly identify the specific irregularity or allegation;
3. Clearly identify the specific City staff determination or recommendation being protested;
4. Specify, in detail, the grounds of the protest and the facts supporting the protest; and
5. Include all relevant, supporting documentation with the protest at time of filing.

If the protest does not comply with each of these requirements, it will be rejected as invalid. If the protest is valid, the City Manager, or his/her designee, shall review the basis of the protest and all relevant information. The City Manager will provide a written decision to the protestor within fourteen (14) calendar days from receipt of protest. The decision from the City Manager, or his/her designee, is final and no further appeals will be considered.

## **EXHIBIT A – SCOPE OF WORK**

### **CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY** **REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT**

#### **I. INTRODUCTION**

In order to meet the City's goals, the City is soliciting proposals for the development of affordable housing projects from developers who are experienced, very knowledgeable of affordable housing programs and its requirements, financially creative and capable of developing, managing and maintaining high quality housing.

The selected developer must have a demonstrated history of working cooperatively with surrounding neighborhoods in all phases of project development. Both nonprofit and for profit developers are eligible to apply, either individually or in partnership with other entities. Developers who can demonstrate the capability to make other funds a significant part of the financing mix for their proposed project will score higher in the selection process than those who cannot.

The funding and property data provided in this RFP is not guaranteed, and the availability of such funding or properties is subject to change at any time. The City of Santa Ana makes no guarantee of the availability of the proposed funding and properties for any particular applicant or project. The submission of a proposal in response to this RFP does not commit the City to providing any funding or land asset to a proposed project. The City reserves the right to determine at its sole discretion how to lease available properties, if at all.

#### **II. DEVELOPMENT PRIORITIES**

Both the Strategic Plan and the City's Housing Element identify affordable rental housing suitable for larger households as a high priority for the City. In addition, the City of Santa Ana will be targeting extremely-low income households within the city, including homeless individuals, veterans and/or large families. One of the rating criteria is the depth of affordability. The City desires proposed projects to have dedicated units for extremely low-income families earning no more than 30% Area Median income (AMI). Project design and construction will be subject to and carried out in accordance with established City standards and procedures. In accordance with the City's Early Outreach policy (Attachment 1), the selected developer may be required to solicit significant neighborhood input during the design process.

#### **III. LOW AND MODERATE INCOME HOUSING ASSET FUND (HOUSING SUCCESSOR AGENCY FUND)**

The Housing Authority of the City of Santa Ana acts as the Housing Successor Agency for the former Redevelopment Agency of the City of Santa Ana. The Housing Authority administers housing assets and associated responsibilities transferred by the former Redevelopment Agency of the City of Santa Ana.

##### **Source of Funds**

Funding sources for this program are generated from proceeds from the sale of former Redevelopment Agency housing assets, residual receipts from former Redevelopment Agency assets (i.e. loans), as well as a portion of the loan repayments from the former Redevelopment Agency to the City. Sources are set aside for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing as stipulated by California Health and Safety Code Section 34176.

This fund includes land assets owned by the Housing Authority acting as the Housing Successor Agency that must be developed for affordable housing or sold at or above fair market value to increase the Low and Moderate Income Housing Asset Fund.

**Eligible Borrowers/Grantees**

Eligible borrowers are nonprofit Housing Development Corporations (HDC's) duly organized to promote and undertake community development activities on a not-for-profit basis, or for-profit housing developers or development corporations, with proven capacities to develop, own, and operate affordable housing. Limited partnerships whose general partners are otherwise eligible under the above are also eligible to borrow Program funds.

**Eligible Projects**

All new construction projects shall be affordable to households whose income, as adjusted for household size, does not exceed 80% of area median income.

Eligible acquisition and/or rehabilitation projects will:

- 1) have four or more apartments or be congregate housing or mobile home units, except where the Housing Division Manager finds that the project will provide a substantial public benefit;
- 2) be in need of rehabilitation as defined herein;
- 3) be located in the City of Santa Ana;
- 4) be free from significant adverse environmental conditions, except those that can be mitigated at a reasonable cost through rehabilitation; and,
- 5) minimize tenant displacement.

**Eligible Uses and Activities**

Program funds can be used to make loans or grants to eligible borrowers who will provide affordable housing, principally for low- and moderate-income households. Eligible uses of deferred payment loan funds or grants include, but are not limited to, the following:

- 1) acquisition and/or rehabilitation of eligible properties for rental or transitional housing;
- 2) acquisition and conversion of non-residential property to multifamily rental housing units; and
- 3) new construction of housing units for rental or transitional housing.

**Affordability Requirements**

As required by State law, all projects shall be targeted to households earning 80% or less of the area median income, based on the State of California Housing and Community Development income and rent limits. State law also requires that at least thirty percent (30%) shall be expended for rental housing affordable to and occupied by "low-income" households does not exceed thirty percent (30%) of the area median income and no more than twenty percent (20%) affordable to and occupied by households between 60% of the area median income and 80% of the area median income.

Units are considered affordable when the rent, less a deduction for a utility allowance, for a "very low-income" household does not exceed thirty percent (30%) of 50% of the area median income; for a "low-income" household does not exceed thirty percent (30%) of 60% of the area median income.

Very low-income households are households whose incomes do not exceed 50% of the area median income. Low-income households are households whose incomes do not exceed 80% of the area median income. The area median income as referenced above is the Orange County area median income figure, adjusted for household size, as published by the California Department of Housing and Community Development (HCD) from time to time.

**Security**

The loan or grant shall be secured by a Deed of Trust and Promissory Note which may be subordinated to deeds of trust securing other Federal, State, or City loans, or loans from conventional financing institutions used in conjunction with the Low and Moderate Income Housing Asset Fund loan on the same property. The City must

obtain written commitments to protect the City's investment in the event of a default. The City must review all requests for subordination, and may approve or deny at the City's sole discretion.

The loan or grant shall be further secured by recorded Affordability Covenants and Restrictions, running with the land, to assure that Program funds are used to provide long-term affordable rental housing opportunities for low- and moderate-income households. The Borrower and the City shall execute and record Affordability Covenants and Restrictions regulating project rents, tenant selection procedures, use of project income, management and maintenance, transfer of property, and permitted forms of ownership and use, including a prohibition on conversion of the project to condominium or stock cooperative ownership for the term of the recorded Affordability Covenants and Restrictions. The recorded Affordability Covenants and Restrictions shall provide for the longest feasible time. Notwithstanding the above, the Affordability Covenants and Restrictions would in no event, be shorter than any other term of a Regulatory Agreement or Covenant recorded concurrently with the City's Covenants and Restrictions. The Affordability Covenants and Restrictions shall be recorded with the Deed of Trust.

In some circumstances, these Affordability Covenants and Restrictions may be subordinated by the City, pursuant to Section 33334.14 of California Health and Safety Code, to liens, encumbrances, or regulatory agreements of other federal or state agencies or lenders providing financing for the project, subject to assurances by senior lenders that the City's lien rights will be protected.

For more information, please see California Health and Safety Code and applicable regulations set forth in Section 34176.

#### **IV. INCLUSIONARY HOUSING FUNDS**

##### **Source of Funds**

Funding for this program is provided using revenues generated through in-lieu fees collected under the City of Santa Ana Housing Opportunity Ordinance.

##### **Eligible Borrowers/Grantees**

Eligible borrowers are non-profit Housing Development Corporations (HDC's) duly organized to promote and undertake community development activities on a not for profit basis, and which have a valid 501(c)(3) or (4) designation from the IRS, or for profit housing developers or development corporations, with proven capacities to develop, own, and operate affordable housing. Limited partnerships whose general partners are otherwise eligible under the above are also eligible to borrow Program funds.

##### **Eligible Projects**

Funds can be used to increase and improve the supply of housing affordable to moderate, low, very-low and extremely-low income households in the City.

##### **Eligible rehabilitation projects will:**

- 1) be in need of rehabilitation as defined herein;
- 2) be located in the City of Santa Ana;
- 3) be free from significant adverse environmental impacts, except those that can be mitigated through rehabilitation; and
- 4) avoid permanent involuntary tenant displacement to the greatest degree feasible in order to carry out the project.

Eligible projects which involve new construction or conversion of an existing non-residential use will conform to items (2), (3), and (4) above.

### **Eligible Uses and Activities**

Funds can be used to make loans to eligible borrowers to provide affordable housing, for low- and very low-income households, including, but not limited to, the following:

- acquisition and rehabilitation of eligible rental properties;
- acquisition and conversion of non-residential property to multifamily rental housing units;
- new construction of rental housing units; and,
- predevelopment loans up to a period of 24 months for site acquisition, predevelopment activities, including professional services which cannot be obtained on a contingency basis, and construction. Such loans may be extended for up to 18 months with an additional 12 month extension option at the discretion of the Housing Division Manager.

For more information, please see Santa Ana Municipal Code Section 41-1900.

## **V. HOME INVESTMENT PARTNERSHIPS PROGRAM**

### **Source of Funds**

Funding for this Program is provided through the U.S. Department of Housing and Urban Development (HUD) HOME Program (including program income and residual receipts), and therefore is subject to the federal rules and regulations found in 24 CFR Part 92, as amended from time to time.

### **Eligible Borrowers/Grantees**

Eligible borrowers are nonprofit Housing Development Corporations (HDC's) duly organized to promote and undertake community development activities on a not-for-profit basis, and which have a valid 501(c)(3) or (4) designation from the IRS, or for-profit housing developers or development corporations, with proven capacities to develop, own, and operate affordable housing. Limited partnerships whose general partners are otherwise eligible under the above are also eligible to borrow Program funds.

### **Eligible Projects**

Projects eligible for HOME funding shall:

- 1) be rental projects located in the City of Santa Ana;
- 2) contribute to the achievement of the City's Strategic Plan and fair housing goals;
- 3) involve 4 or more apartments which will be rented to eligible lower income households at rents that do not exceed rents as defined by 24 CFR 92.252, as amended from time to time. Projects serving persons with special needs, or where the City Manager finds that the project will provide a substantial public benefit, may have fewer than four units. Transitional or permanent supportive housing may be provided (but not temporary shelters).
- 4) have at least 20% of the HOME-assisted units rented to very low-income families (50% of median income) under the terms and conditions set forth in 24 CFR 92.252 (2)(b);
- 5) demonstrate financial feasibility -- including the ability to maintain rents for the subsidized units at affordable levels for the periods specified in 24 CFR 92.252;
- 6) be free of significant adverse environmental impacts, except those that can be mitigated through the project itself;
- 7) minimize tenant displacement;
- 8) comply with all local building and zoning codes and standards, including energy efficiency and water conservation standards, and meet housing quality standards in Section 882.109 of Title 24. Newly constructed housing must meet the current edition Model Energy Code of the Council of American Building Officials;
- 9) make efficient use of public funds and avoid "layering" of subsidies beyond those necessary to achieve a financially feasible project; and,
- 10) have at least 51% of the project space be residential, if in a mixed use project.

### **Eligible Uses and Activities**

HOME funds may only be used to finance new construction or acquisition and/or rehabilitation of rental housing which is affordable to very low and low-income households as defined by 24 CFR 92.2. Fifteen percent (15%) of the annual HOME fund allocation shall be set aside for certified Community Housing Development Organizations (CHDO's).

New construction costs eligible for HOME funding shall be as specified in 24 CFR Part 92, including:

- 1) site acquisition;
- 2) site preparation costs (grading, filling, etc.);
- 3) financing costs as described in 24 CFR 92.206;
- 4) architectural, engineering, and other related soft costs;
- 5) the cost of extending or upgrading utilities to the site to support the proposed project;
- 6) construction costs;
- 7) relocation costs; and,
- 8) affirmative marketing and audit costs related to HOME program requirements.

Rehabilitation costs eligible for HOME funding include:

- 1) project acquisition with or without rehabilitation;
- 2) financing costs, as described in 24 CFR 92.206;
- 3) architectural, engineering, or other design costs;
- 4) utility upgrade or extension costs;
- 5) costs associated with demolition (where necessary) only if rehabilitation is commenced within 12 months of demolition;
- 6) construction costs;
- 7) project audit costs; and,
- 8) affirmative marketing costs.

### **Ineligible Uses and Activities**

The following costs are not eligible for HOME funding:

- 1) project reserve accounts for replacement or operating reserves, and operating subsidies;
- 2) payment of impact fees;
- 3) land banking;
- 4) emergency repair or weatherization programs;
- 5) commercial properties;
- 6) temporary shelters; or
- 7) project-based rental assistance.

### **Affordability Requirements**

HUD provides the following maximum HOME rent limits. The maximum HOME rents are the lesser of:

- 1) The fair market rent for existing housing for comparable units in the area as established by HUD; or
- 2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

In rental projects with five or more HOME-assisted rental units, twenty (20) percent of the HOME-assisted units must be occupied by very low-income families and meet one of following rent requirements:

- 1) The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted

income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under 24 CFR 92.252(a), then the maximum rent for units under this paragraph is that calculated under 24 CFR 92.252(a).

- 2) The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements over the length of an affordability period. For homebuyer and rental projects, the length of the affordability period depends on the amount of HOME assistance to the project or buyer, and the nature of the activity funded.

*Table 1-1: Determining the HOME Period of Affordability:*

<b>HOME Assistance per Unit or Buyer</b>	<b>Length of the Affordability Period</b>
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years
New construction of rental housing	20 years
Refinancing of rental housing	15 years

Throughout the affordability period, income-eligible households must occupy the HOME-assisted housing. When units become vacant during the affordability period, subsequent tenants must be income eligible and must be charged the applicable HOME rent.

#### **Other Requirements**

**Minimum Loan:** All HOME investments must total not less than \$1,000 multiplied by the number of HOME-assisted units in the project.

**Maximum Loan:** The maximum amount of subsidy per unit shall not exceed the maximum allowed by HUD under the HOME program (24 CFR 92.250). The City will avoid unnecessary layering of subsidies from different federal, state and local programs and seek to maximize the benefit to target households from the investment of HOME funds in a project. The Housing Division will use HUD's Cost Allocation Tool to identify the maximum subsidy per unit for each project.

**Property Standards:** Housing that is assisted with HOME funds must meet, at a minimum, the City's Property Standards, including all applicable local, State and Federal codes and regulations. Newly constructed housing must also meet the current edition of the Model Energy Code published by the Council of American Building Officials. Substantially rehabilitated housing must meet the cost-effective energy conservation and effectiveness standards in 24 CFR 39.

**Labor Standards/Construction Contracts:** Any contract for construction (whether it is for rehabilitation or for new construction) of affordable housing with **12 or more units** assisted with HOME funds must contain a provision requiring that not less than the prevailing wages paid in the locality, as determined by the Secretary of Labor pursuant to the Davis-Bacon Act, will be paid to all laborers and mechanics employed in the development of the project. Contracts over \$10,000 must comply with Equal Opportunity Affirmative Action requirements of Section 3 of the Housing and Urban Development Act of 1968. All efforts shall be made to provide equal opportunity for employment without discrimination as to race, marital status, sex, color, age, religion, national origin or ancestry, and to seek out qualified local tradespeople for contracting and subcontracting bids. Contractors and subcontractors must comply with regulations issued under this Act and pertaining to labor

standards and HUD Handbook 1344.1. These provisions apply whether HOME funds are used for construction or non-construction costs.

**Lead-based Paint:** Housing assisted with HOME funds constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act and the Lead Safe Housing Rule, and is therefore subject to 24 CFR Part 35. Unless otherwise provided, borrowers are responsible for testing and abatement.

For more information, please see 24 CFR Part 92.

## **VI. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

### **Source of Funds**

Funding for this program is provided through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program (including program income and residual receipts), and therefore is subject to the federal rules and regulations found in 24 CFR Part 570, as amended from time to time.

### **Eligible Borrowers/Grantees**

Eligible borrowers are community-based nonprofit housing development corporations (CBDO's) duly organized or with capacity to promote and undertake community development activities on a not-for-profit basis, with proven capacity to develop, own and operate affordable housing, within a neighborhood identified in the Community Development plan (Annual Action Plan). Such organizations are defined in CDBG regulations (24 CFR 570.204(a)(2)(c)(1)). Nonprofit housing development corporations (HDC's) and social service agencies with proven capacity to develop, own, and operate affordable housing, and limited partnerships whose general partner(s) is otherwise eligible under the above provisions, are also eligible to borrow Program funds if the nonprofit partner is the managing general partner throughout the term of the loan and will receive at least 51% of the developer fee. Nonprofit corporations must have a valid 501(c)(3) or (4) designation from the Internal Revenue Service.

### **Eligible Projects**

Eligible projects will: (1) have four or more apartment units or fewer than four units in the case of congregate housing, mobile home units or where the Housing Division Manager finds that the project will provide a substantial public benefit; (2) if new construction, have 51% of the units occupied by low income tenants; (3) be free from significant adverse environmental impacts, except those that can be mitigated; and, (4) avoid permanent involuntary tenant displacement to the greatest degree feasible in order to carry out the program. Transitional or permanent supportive housing may be provided. Rents of assisted units shall be affordable to households whose incomes do not exceed 80% of the area median income.

### **Eligible Uses and Activities**

Funds can be used to make loans to eligible borrowers to provide affordable housing, principally for low and moderate income households, including, but not limited to:

- 1) acquisition and/or rehabilitation of eligible rental properties;
- 2) new construction of rental or limited equity cooperative housing by a CBDO is eligible, provided the construction activity is carried out as part of a neighborhood revitalization, community economic development or energy conservation project. New housing construction carried out by an eligible CBDO must be part of a larger effort to revitalize the neighborhood (i.e., a plan for the community's revitalization efforts based on a comprehensive plan, not just for the sake of the CDBG project);

### **Ineligible Uses and Activities**

Funds may not be used for the following activities:

- 1) the construction of new rental housing or for any program to subsidize or assist such housing, except when carried out by a CBDO, provided the construction activity is carried out as part of a neighborhood



- revitalization, community economic development or energy conservation project;
- 2) to provide income payments for rent or utilities, except in emergency situations for a period not longer than three months; or,
- 3) to assist rental housing properties if less than 51% of the units will be occupied by low and moderate income households.

#### **Compliance with Federal and Local Regulations**

All projects must comply with all applicable federal requirements contained in 24 CFR Part 570 Subpart K, including, but not limited to, standards of financial management, environmental review, labor and wage requirements, debarred contractors, lead-based paint and equal opportunity. Borrowers should note:

**Contract Requirements:** All work shall be completed by licensed contractors. All contracts must comply with competitive bidding requirements.

**Labor Standards:** A project with **eight or more residential units** must comply with the Federal Labor Standards, including the Davis-Bacon Act requirements, as promulgated by HUD, and set forth in 24 CFR Part 570, Subpart K in the performance of the rehabilitation or construction work financed by the loan. Contracts over \$10,000 must comply with Equal Opportunity Affirmative Action requirements of Section 3 of the Housing Urban Development Act of 1968. All efforts shall be made to provide equal opportunity for employment without discrimination as to race, marital status, sex, color, age, religion, national origin or ancestry, and to seek out qualified local tradespeople for contracting and subcontracting bids.

**Lead-based Paint:** Housing assisted with CDBG funds constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act and the Lead Safe Housing Rule, and is therefore subject to 24 CFR Part 35. Unless otherwise provided, borrowers are responsible for testing and abatement.

**Accessibility:** All projects must comply with the federal Section 504 Disabled Accessibility regulations contained in Sections 8.22 and 8.23 of Subpart C, 24 CFR Part 8.

For more information, please see 24 CFR Part 570.

### **VII. HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING PROJECT-BASED VOUCHERS**

#### **Source of Funds**

The 2017 Appropriations Act provided \$40 million in HUD-Veterans Affairs Supportive Housing (HUD-VASH) funding that will support approximately 5,500 new HUD-VASH vouchers. On April 13, 2018, the Housing Authority was awarded \$1,054,965.00 in budget authority for a 12-month term to support 100 HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers from the Fiscal Year (FY) 2017 allocation. The vouchers must be administered in partnership with the V22/Long Beach HCS, serving homeless veterans in Orange County.

#### **Eligible Borrowers**

Eligible borrowers are nonprofit Housing Development Corporations (HDC's) duly organized to promote and undertake community development activities on a not-for-profit basis, or for-profit housing developers or development corporations, with proven capacities to develop, own, and operate affordable housing. Limited partnerships whose general partners are otherwise eligible under the above are also eligible to borrow Program funds.

#### **Eligible Projects**

The City and Authority is soliciting proposals for permanent supportive housing from owners and/or affordable housing developers together with at least one service provider who are experienced, very knowledgeable of HUD programs and its requirements, and financially capable of managing and maintaining high-quality

permanent supportive housing for U.S. military veterans experiencing homelessness. The City will entertain proposals for New Construction of Multifamily Rental Units, Acquisition and Rehabilitation of Multifamily Rental Units, and Existing Multifamily Rental Units only.

Permanent Supportive Housing is defined in this RFP as permanent housing with comprehensive, wrap-around supportive services for people who are homeless. HUD-VASH project-based vouchers are for permanent supportive housing for homeless veterans through the Housing First Model.

Eligible projects include acquisition, rehabilitation, or new construction of rental housing projects which:

- 1) The Public Housing Authority (PHA) may attach project-based voucher (PBV) assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an Agreement.
  - a. *Existing housing*—A housing unit is considered an existing unit for purposes of the PBV program, if at the time of notice of PHA selection the units substantially comply with HQS.
    - i. Units for which rehabilitation or new construction began after owner's proposal submission but prior to execution of the Agreement to Enter into a Housing Assistance Payments Contract do not subsequently qualify as existing housing.
    - ii. Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.

Applications for the HUD-VASH project-based vouchers must: (1) be for units located in the City of Santa Ana; (2) request a minimum of eight (8) PBVs; and (3) propose to only serve households with individuals or families who qualify for the HUD-VASH program and are homeless as certified through referrals from the Department of Veterans Affairs-Long Beach Healthcare System, Orange County Veterans "Take-Down" List and the Orange County Continuum of Care Coordinated Entry System. Proposers must be owners of existing multifamily rental units or developers of affordable housing who will enter into an agreement for supportive services with a qualified service provider (unless the service provider is also the owner). In addition, the proposed project must have an on-site property manager and provide case management/resident services on-site. SAHA will evaluate the quality and location of the prospective housing as well as the experience of the service provider and proposed services. Proposals from owners/developers who cannot demonstrate such an agreement for supportive services will not be reviewed.

#### Wrap-Around Supportive Services

One of the most important elements of permanent supportive housing is ongoing supportive services that are wrapped around homeless individuals and families placed in housing. Under this RFP, the scope of services required for service providers in the course of operating the Project-Based Voucher Program ("Program") will include, but not be limited to:

- 1) Performing outreach and intake of targeted individuals (i.e. homeless and chronically homeless veterans) for participation in the Program;
- 2) Making and accepting referrals of homeless veterans from the Department of Veterans Affairs-Long Beach Healthcare System, Orange County Veterans "Take-Down" List and/or the Orange County Continuum of Care Coordinated Entry System;
- 3) Assessing homeless individuals and families to prescribe treatment/services;
- 4) Placing homeless individuals and families into project-based housing units;
- 5) Performing case management services for homeless individuals and families that will remove barriers to successful achievement of independent living skills, attainment of employment skills, and greater self-determination;
- 6) Tracking and reporting program activities and outcomes using the Homeless Management Information System (HMIS) operated by the Orange County Continuum of Care. Data entry into HMIS is required in order to perform tracking and reporting program activities and outcomes.

Supportive Services means services provided to tenants for the purpose of addressing the tenants' condition of homelessness and enhancing the tenants' ability to maintain independent living. Supportive services must address the special needs of the tenants to be served. These services may include: (a) medical or mental healthcare; (b) medical and psychological case management; (c) benefits advocacy and income support assistance such as Temporary Assistance to Needy Families (TANF), General Assistance, CalFresh, Social Security Disability Income, tenant assistance or representation to address landlord/tenant issues; (d) money management/payee services; (e) nutritional counseling; and (f) assistance in obtaining other resources and support for tenants such as clothing, furniture and household items, transportation, job training and job placement. These services may be provided directly or by arrangement with other service providers. Through this RFP, the City expects the service provider and on-site property manager to work in partnership with the Department of Veterans Affairs-Long Beach Healthcare System.

#### Housing First

Housing First is an approach where homeless persons, usually chronically homeless or especially vulnerable homeless individuals and families, are provided immediate access to housing and then offered the supportive services that may be needed to foster long-term stability and prevent a return to homelessness. This approach removes unnecessary barriers and assumes that supportive services are more effective in addressing needs when the individual or family is housed and the daily stress of being homeless is addressed. Key components of this model include a simple application process, a harm reduction approach, and no conditions of tenancy beyond those included in the lease. Housing First specifically does not require sobriety or testing for substance abuse to obtain or sustain tenancy and thus must not be required in the lease. In serving these populations, projects cannot discriminate against families with children.

Housing First programs share critical elements:

- 1) There is a focus on helping individuals and families access and sustain rental housing as quickly as possible and the housing is not time-limited;
- 2) A variety of services are delivered primarily following a housing placement to promote housing stability and individual well-being;
- 3) Such supportive services are time-limited or long-term depending upon individual need; and
- 4) Housing is not contingent on compliance with services. Instead, participants must comply with a standard lease agreement and are provided with the services and supports that are necessary to help them do so successfully.

A Housing First approach rests on the belief that helping people access and sustain permanent, affordable housing should be the central goal of our work with people experiencing homelessness. By providing housing assistance, case management and wrap-around supportive services responsive to individual or family needs (time-limited or long-term) after an individual or family is housed, communities can significantly reduce the time people experience homelessness and prevent further episodes of homelessness. A central tenet of the Housing First approach is that social services to enhance individual and family well-being can be more effective when people are in their own home. More information on Housing First is available at:

<https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>

#### **Eligible Uses and Activities**

Program funds can be used to enter into an Agreement with eligible borrowers who will provide affordable housing. Eligible uses of Project-Based Voucher funds include, but are not limited to, the following:

- 1) acquisition and/or rehabilitation of eligible rental properties;
- 2) acquisition and conversion of nonresidential property to multifamily rental housing units; and
- 3) new construction of rental housing units.

### **Affordability Requirements**

All units assisted under this program shall be affordable to households with incomes that do not exceed 30% of median income and must be targeted to eligible homeless veterans as determined by the Veterans Affairs of Long Beach under the HUD-VASH Program.

### **Compliance with Federal and Local Regulations**

All projects must comply with all applicable federal requirements contained in 24 CFR 982, including, but not limited to, environmental review, labor and wage requirements, debarred contractors, lead-based paint and equal opportunity. Borrowers should note:

**Contract Requirements:** All work shall be completed by licensed contractors. All contracts must comply with competitive bidding requirements.

**Labor Standards:** A project with **nine or more residential units** must comply with the Federal Labor Standards, including the Davis-Bacon Act requirements, as promulgated by HUD, and set forth in 24 CFR Part 570, Subpart K in the performance of the rehabilitation or construction work financed by the loan. Contracts over \$10,000 must comply with Equal Opportunity Affirmative Action requirements of Section 3 of the Housing and Urban Development Act of 1968. All efforts shall be made to provide equal opportunity for employment without discrimination as to race, marital status, sex, color, age, religion, national origin or ancestry, and to seek out qualified local tradespeople for contracting and subcontracting bids.

**Lead-based Paint:** Housing assisted with PBV funds constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act and the Lead Safe Housing Rule, and is therefore subject to 24 CFR Part 35. Unless otherwise provided, borrowers are responsible for testing and abatement.

**Accessibility:** All projects must comply with the federal Section 504 Disabled Accessibility regulations contained in Sections 8.22 and 8.23 of Subpart C, 24 CFR Part 8.

For more information, please see PIH Notice 2017 – 17 and 24 CFR Part 983.

### **VIII. NEIGHBORHOOD STABILIZATION PROGRAM FUNDS**

HUD's Neighborhood Stabilization Program provided emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program (NSP) provides grants to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008.

There have been three rounds of funding for NSP. The Housing and Economic Recovery Act of 2008 provided a first round of formula funding to States and units of general local government, and is referred to as NSP1. The American Recovery and Reinvestment Act provided a second round of funds in 2009 awarded by competition, and is referred to as NSP2. The third round of funding, NSP3, was provided in 2010 as part of the Dodd-Frank Wall Street Reform Act and was allocated by formula.

- 1) Use of grant funds must constitute an eligible use under HERA as amended by the Recovery Act.
- 2) In addition to being an eligible NSP use of funds, each activity funded must also be CDBG-eligible under 42 U.S.C. 5305(a) and meet a CDBG national objective.

### **NSP-Eligible Uses**

Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;

- 1) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;
- 2) Establish land banks for homes and residential properties that have been foreclosed upon;
- 3) Demolish blighted structures;
- 4) Redevelop demolished or vacant properties as housing.

HUD will not consider requests to allow foreclosure prevention activities, or to allow demolition of structures that are not blighted, or to allow purchase of residential properties and homes that have not been abandoned or foreclosed upon as provided in HERA. HUD does not have the authority to permit uses or activities not authorized by HERA.

New construction of housing is eligible to redevelop demolished or vacant properties as housing.

For more information, please see <https://www.hudexchange.info/programs/nsp/>.

## **IX. DEVELOPER REQUIREMENTS AND RESPONSIBILITIES**

### **I. INSURANCE**

Prior to undertaking performance of work under this Agreement, Developer shall maintain and shall require its subcontractors, if any, to obtain and maintain insurance as described below:

- 1) **Commercial General Liability Insurance.** Developer shall maintain commercial general liability insurance which shall include, but not be limited to protection against claims arising from bodily and personal injury, including death resulting therefrom and damage to property, resulting from any act or occurrence arising out of Developer's operations in the performance of this Agreement, including, without limitation, acts involving vehicles. The amounts of insurance shall be not less than the following: single limit coverage applying to bodily and personal injury, including death resulting therefrom, and property damage, in the total amount of \$2,000,000 per occurrence, \$2,000,000 in the aggregate.
- 2) **Business automobile liability insurance,** or equivalent form, with a combined single limit of not less than \$2,000,000 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.
- 3) **Worker's Compensation Insurance.** In accordance with the provisions of Section 3300 of the Labor Code, Developer is required to be insured against liability for worker's compensation or to undertake self-insurance. Prior to commencing the performance of the work under this Agreement, Developer agrees to obtain and maintain any employer's liability insurance with limits not less than \$1,000,000 per accident.

The following requirements apply to the insurance to be provided by Developer pursuant to this section:

- a. Commercial general liability and business automobile insurance policies shall (a) name the City, Authority, its officers, employees, agents, volunteers and representatives as additional insured(s); (b) be primary and not contributory with respect to insurance or self-insurance programs maintained by the City and Authority; and (c) contain standard separation of insureds

provisions. A sample additional insured endorsement is attached hereto as Exhibit C. Developer shall maintain all insurance required above in full force and effect for the entire period covered by this Agreement.

- b. Certificates of insurance shall be furnished to the City and Authority upon execution of this Contract and shall be approved in form by the City Attorney.
- c. Certificates and policies shall state that the policies shall not be canceled or reduced in coverage or changed in any other material aspect without thirty (30) days prior written notice to the City and Authority.

If Developer fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish the City and the Authority with required proof that insurance has been procured and is in force and paid for, the City and Authority shall have the right, at the City's/Authority's election, to forthwith terminate the Contract. Such termination shall not affect Developer's right to be paid for its time and materials expended prior to notification of termination. Developer waives the right to receive compensation and agrees to indemnify the City and the Authority for any work performed prior to approval of insurance by the City and Authority.

## **ii. HOLD HARMLESS/ INDEMNIFICATION**

To the fullest extent permitted by law, Developer shall indemnify, defend and hold harmless City, Authority, its officers, agents and employees (collectively, the "Indemnified Parties") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever (individually, a Claim; collectively, "Claims"), which may arise from or in any manner relate (directly or indirectly) to any work performed or services provided under this Contract (including, without limitation, defects in workmanship and/or materials) or Developer's presence or activities conducted performing the work (including the negligent and/or willful acts, errors and/or omissions of Developer, its principals, officers, agents, employees, vendors, suppliers, contractors, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable for any or all of them). Notwithstanding the foregoing, nothing herein shall be construed to require Developer to indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties. Nothing in this indemnity shall be construed as authorizing any award of attorney's fees in any action on or to enforce the terms of the Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the Developer.

## **iii. NOTICE**

Any notice, tender, demand, delivery or other communication pursuant to this contract shall be in writing and shall be deemed to be properly given if delivered in person or mailed by first class or certified mail, postage prepaid, or sent by facsimile or other telegraphic communication to the following persons:

To City: Clerk of the Council  
City of Santa Ana  
20 Civic Center Plaza (M-30)  
P.O. Box 1988  
Santa Ana, CA 92702-1988  
Fax 714-647-6956

With courtesy copy to:

Housing Division Manager  
City of Santa Ana  
Community Development Agency  
20 Civic Center Plaza (M-26)  
Santa Ana, CA 92701  
Fax 714-667-2225

#### **iv. TERMINATION**

The City and the Authority reserves the right to terminate the contract, without penalty, for cause immediately or without cause.

- 1) In the event Developer fails or refuses to timely perform any of the provisions of the Agreement in the manner required, or if Developer violates any provision of the Agreement, Developer shall be deemed in default. City shall provide written notice of such default to Developer's Project Manager. Developer shall cure said default within a period of two (2) working days. If such cure is not completed in a timely manner, City may assess liquidated damages or terminate the Agreement forthwith by giving written notice to Developer's Project Manager. City may, in addition to the other remedies provided in the Agreement or authorized by law, terminate this Agreement by giving written notice of termination. Developer shall be responsible for all costs incurred by City, including replacement costs of equipment and labor required to provide service during Developer's default.
- 2) This agreement may be terminated without cause by City and/or Authority upon thirty (30) days written notice delivered to the Developer either personally or by mail. Upon termination, City and/or Authority shall pay to Developer that portion of compensation specified in the Agreement that is earned and unpaid prior to the effective date of termination.

#### **V. DEVELOPER OPTION FOR TERMINATION**

The Developer may request termination of the contract when conditions during the contract make it impossible to perform or when prevented from proceeding with the contract by act of God, by law or official action of a public authority or in the event on nonpayment by the City or Authority. Such request will require one-hundred and eighty (180) days written notice prior to contract termination date requested. In the event of nonpayment of undisputed sums by the City and/or Authority, Developer shall give the City and/or Authority thirty (30) working days to cure the alleged breach.

#### **VI. EMPLOYMENT OPPORTUNITIES FOR SANTA ANA RESIDENTS**

Developer shall solicit and advertise employment opportunities to Santa Ana residents. The City shall inform the Developer of areas to publicize recruitment opportunities, such as the Santa Ana WORK Center and community centers. Such effort and procedure will be provided to the City for review.

#### **vii. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

- 1) Developer shall perform all requirements under the contract in strict observance of and in compliance with all applicable environmental, traffic, safety and any other laws, regulations, ordinances, codes and any other legislative or statutory requirements.

- 2) Developer warrants that the performance of services under the contract shall be compliant with the current requirements of the Occupational Safety and Health Act (OSHA) and as it may be amended or updated throughout the term of the contract.

**viii. ASSIGNMENT**

Inasmuch as the Agreement is intended to secure the specialized services of Developer, Developer may not assign, transfer, delegate or subcontract any interest herein without the prior written consent of City and/or Authority, and any such assignment, transfer, delegation or subcontract without the City's and/or the Authority's prior written consent shall be considered null and void.

**ix. JURISDICTION – VENUE**

The Contract will be executed and delivered in the State of California and the validity, interpretation, performance and enforcement of any of the clauses of the Contract shall be determined and governed by the laws of the State of California. Both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of the Contract.

**x. FINES**

The Developer shall be liable for all violation fines levied against the City and the Authority by State or Federal Agencies and the Courts such as, but not limited to, oil or fluid leaks.



**ATTACHMENT 1:**

**EARLY OUTREACH COMMUNITY MEETING**

Information regarding the City's Early Outreach Community Meeting requirement can be accessed here:

[http://www.santa-ana.org/pba/planning/documents/Sunshine\\_Ordinance-Guide\\_to\\_Community\\_Meetings.pdf](http://www.santa-ana.org/pba/planning/documents/Sunshine_Ordinance-Guide_to_Community_Meetings.pdf)

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## ATTACHMENT 2:

### CITY OF SANTA ANA REHABILITATION STANDARDS

#### PREFACE

The primary purpose of these standards is to address the quality of workmanship and materials expected, and to achieve consistency throughout the program activities administered by the City of Santa Ana. These standards are not intended to reduce or exclude the requirements of any federal, state or local codes, standards, ordinances and regulations that apply to residential rehabilitation.

#### WORKMANSHIP

- All work shall be performed in a professional and workmanlike manner.
- The quality and durability of the work shall meet or exceed the standards established by the construction industry and various trades.

#### MATERIALS & EQUIPMENT

- All materials and equipment shall comply with and be installed in accordance with the manufacturer's requirements and all applicable codes, standards, ordinances and regulations. If a discrepancy occurs between the requirements, the more stringent shall prevail.
- Unless otherwise specified, all materials and equipment shall be medium grade.
- Economy grade materials and equipment are unacceptable.
- All materials and equipment shall be new, in excellent condition, and delivered to the job in the manufacturer's original packaging.
- The description of materials and equipment found in this document establish a minimum standard.

#### ENERGY EFFICIENCY, WATER CONSERVATION & RECYCLED MATERIALS

To the extent possible and practical, standard measures related to energy conservation, energy efficiency, water conservation and the use of recycled materials have been incorporated herein. Gut rehabilitation or new construction of residential buildings up to three stories will be designed to meet the standard for Energy Star Qualified New Homes. Gut rehabilitation or new construction of mid or high rise multi-family housing must be designed to meet the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent.

#### LEAD-BASED PAINT

All housing built before 1978 must comply with 24 CFR Part 35 Subpart J and HUD's Lead Safe Housing Rule regarding the evaluation and control of lead-based paint hazards. HUD's guidelines are available at [https://www.hud.gov/program\\_offices/healthy\\_homes/enforcement/lshr](https://www.hud.gov/program_offices/healthy_homes/enforcement/lshr)

#### BUILDING STANDARDS

SITE	
Minimum Standard	<ul style="list-style-type: none"><li>• The site shall be hazard-free and sanitary.</li><li>• The site and all paving shall drain away from the dwelling and accessory buildings, but not onto adjacent properties.</li><li>• Paving and walkways shall be hazard-free and intact.</li><li>• Landscaping and irrigation systems shall be hazard-free and in relatively good condition. All dead vegetation shall be removed.</li><li>• Fencing, walls and gates hazard-free and intact. All gates shall be in good working order.</li><li>• The site shall be free from trash, debris and hazardous materials.</li><li>• Accessory buildings shall be safe and sound.</li></ul>

<b>Paving</b>	<ul style="list-style-type: none"> <li>• All new paving and walkways shall be constructed with concrete (2,000 PSI @ 28 days).</li> <li>• Driveways shall be reinforced with wire mesh. Sawn expansion-contraction joints shall be placed every 8 feet in both directions.</li> <li>• All paving and walkways shall be finished with a light broom texture.</li> <li>• All walkways shall be at least 3 feet wide. Sawn expansion-contraction joints shall be placed every 4 feet.</li> </ul>
<b>Landscaping &amp; Irrigation</b>	<ul style="list-style-type: none"> <li>• To the extent possible and practical all new landscaping shall be drought resistant.</li> <li>• When a lawn is being replaced, the new lawn area shall be reduced to aid in the reduction of water consumption.</li> <li>• New irrigation controllers shall be weather or sensor based and EPA Water-Sense qualified.</li> <li>• All new irrigation systems shall be designed to conserve water.</li> </ul>
<b>Fences, Walls &amp; Gates</b>	<ul style="list-style-type: none"> <li>• All new wood fences shall be made from good quality materials. They shall be properly supported with 4X4 pressure treated posts (8 feet O.C.) and 2X4 rails (top and bottom). The posts shall be embedded in a concrete footing at least 18" deep.</li> <li>• All new block walls shall be constructed with 6X8X16 concrete block. They shall be properly supported by a continuous footing and reinforced with steel bar.</li> </ul>

<b>ROOFS / ROOF COVERINGS / GUTTERS AND DOWNSPOUTS</b>	
<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Roofs shall be safe and structurally sound.</li> <li>• Roof coverings shall be intact and watertight.</li> <li>• Roofing metal and flashing shall be intact and rust free.</li> <li>• Gutters and downspouts shall be intact and rust free.</li> <li>• Roof coverings with five or less years of useful life shall be replaced.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Roofs that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> <li>• The replacement of roofing includes the replacement of all metal (roof jacks and flashing).</li> <li>• Gutters and downspouts shall be installed to properly discharge rain water run-off.</li> </ul>
<b>Roof Coverings</b>	<ul style="list-style-type: none"> <li>• 25-year, 3-tab, self-sealing composition shingle. Built-up membrane (hot mop) system on all flat roofs.</li> <li>• Lighter colored coverings are preferred for energy efficiency.</li> </ul>

<b>DECKS / BALCONIES / RAILING</b>	
<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe, structurally sound and watertight.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Decks, balconies and railing that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> </ul>
<b>Finishes</b>	<ul style="list-style-type: none"> <li>• Zero or low VOC primers, paint and coatings.</li> </ul>

**EXT. STEPS / STAIRWAYS / RAILING**

Minimum Standard	<ul style="list-style-type: none"><li>• Safe and structurally sound.</li></ul>
Rehabilitation	<ul style="list-style-type: none"><li>• Ext. steps, stairways and railing that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li></ul>
Finishes	<ul style="list-style-type: none"><li>• Zero or low VOC primers, paint and coatings.</li></ul>

**FOUNDATIONS**

Minimum Standard	<ul style="list-style-type: none"><li>• Safe and structurally sound.</li></ul>
Rehabilitation	<ul style="list-style-type: none"><li>• Foundations that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li><li>• If the project involves a gut rehab, raised foundations shall be completely insulated.</li></ul>
Concrete	<ul style="list-style-type: none"><li>• 2,000 PSI (minimum).</li></ul>

**EXTERIOR WALLS / WALL COVERINGS**

Minimum Standard	<ul style="list-style-type: none"><li>• Safe, structurally sound and watertight.</li></ul>
Rehabilitation	<ul style="list-style-type: none"><li>• Exterior walls that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li><li>• If the project involves a gut rehab, all exterior walls shall be insulated.</li></ul>

**EXTERIOR DOORS**

Minimum Standard	<ul style="list-style-type: none"><li>• Safe, sound, weather-tight and in good working order.</li></ul>
Rehabilitation	<ul style="list-style-type: none"><li>• Exterior doors that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li></ul>
New Doors	<ul style="list-style-type: none"><li>• EPA Energy Star qualified, zero or low VOC finish.</li></ul>
New Hardware	<ul style="list-style-type: none"><li>• Reputable manufacturer, lifetime finish.</li></ul>

**GARAGE DOORS / GARAGE DOOR OPENERS**

Minimum Standard	<ul style="list-style-type: none"><li>• Safe, sound and in good working order. Doors shall be impermeable (primed and painted).</li><li>• Five or more years of practical utility.</li></ul>
Rehabilitation	<ul style="list-style-type: none"><li>• Garage doors and openers that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li></ul>

**WINDOWS / WINDOW SCREENS**

Minimum Standard	<ul style="list-style-type: none"><li>• Windows shall be safe, sound, weather-tight and in good working order.</li><li>• Windows that can be opened shall have a tight-fitting insect screen.</li><li>• Five or more years of practical utility.</li></ul>
Rehabilitation	<ul style="list-style-type: none"><li>• Windows that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li></ul>

<b>New Windows</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• EPA Energy Star qualified.</li> </ul>
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## EXTERIOR PAINT

<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Homes built before 1978 must comply with 24 CFR Part 35 Subpart J and HUD's Lead Safe Housing Rule regarding the evaluation and control of lead-based paint hazards.</li> <li>• All exterior paint shall be intact and free of corrosion.</li> <li>• Five or more years of practical utility.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• All surfaces to be painted shall be prepared properly. All loose material and peeling paint shall be removed.</li> <li>• All holes and cracks shall be filled and finished so that they blend into the surrounding area.</li> <li>• All stucco surfaces to be painted shall receive a complete and even coverage of stucco paint.</li> <li>• All wood surfaces to be painted shall receive a complete and even coverage of flat exterior paint.</li> <li>• Poor workmanship will not be tolerated.</li> </ul>
<b>New Paint</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• Highest quality available.</li> <li>• Zero or low VOC paint, caulking and fillers.</li> </ul>

## WALLS / WALL COVERINGS

<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe and structurally sound.</li> <li>• All plaster, drywall and paneling shall be safe and intact.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Walls and wall coverings that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> <li>• If the project involves a gut rehab, the attic, walls and floor on raised foundations shall be insulated.</li> </ul>

## FLOORS / FLOOR COVERINGS

<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe, sound and sanitary.</li> <li>• Five or more years of practical utility.</li> </ul>		
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Floor coverings that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> </ul>		
<b>Replacement Coverings</b>	<table border="0"> <tr> <td><b>Floor</b></td><td> <ul style="list-style-type: none"> <li>• Carpet &amp; Pad (Reputable manufacturer, recycled materials).</li> <li>• Resilient Flooring (Reputable manufacturer, 10 year wear warranty).</li> <li>• Ceramic Tile (Reputable manufacturer)</li> </ul> </td></tr> </table>	<b>Floor</b>	<ul style="list-style-type: none"> <li>• Carpet &amp; Pad (Reputable manufacturer, recycled materials).</li> <li>• Resilient Flooring (Reputable manufacturer, 10 year wear warranty).</li> <li>• Ceramic Tile (Reputable manufacturer)</li> </ul>
<b>Floor</b>	<ul style="list-style-type: none"> <li>• Carpet &amp; Pad (Reputable manufacturer, recycled materials).</li> <li>• Resilient Flooring (Reputable manufacturer, 10 year wear warranty).</li> <li>• Ceramic Tile (Reputable manufacturer)</li> </ul>		

## INTERIOR DOORS

<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe, sound and in good working order.</li> <li>• Five or more years of practical utility.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Interior doors that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> </ul>
<b>Replacement Doors &amp; Hardware</b>	<ul style="list-style-type: none"> <li>• Doors (Reputable manufacturer, masonite, raised panel).</li> <li>• Hardware (Reputable manufacturer, lifetime finish).</li> </ul>

**INTERIOR PAINT**

<b>Minimum Standard</b>	<ul style="list-style-type: none"><li>• Homes built before 1978 must comply with 24 CFR Part 35 Subpart J and HUD's Lead Safe Housing Rule regarding the evaluation and control of lead-based paint hazards.</li><li>• All interior paint shall be intact and corrosion-free.</li><li>• Five or more years of practical utility.</li></ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"><li>• All surfaces to be painted shall be prepared properly. All loose material and peeling paint shall be removed.</li><li>• All holes and cracks shall be filled and finished so that they blend into the surrounding area.</li><li>• All surfaces to be painted shall receive a complete and even coverage of flat paint (semi-gloss in kitchens, bathrooms and laundry rooms).</li><li>• Poor workmanship will not be tolerated.</li></ul>
<b>New Paint</b>	<ul style="list-style-type: none"><li>• Reputable manufacturer.</li><li>• Highest quality available.</li><li>• Zero or low VOC paint; caulking and fillers.</li></ul>

**KITCHEN CABINETS / COUNTERTOPS**

<b>Minimum Standard</b>	<ul style="list-style-type: none"><li>• Cabinets shall be safe, sound, sanitary and in good working order.</li><li>• Countertops shall be safe, sound, sanitary and watertight.</li><li>• Five or more years of practical utility.</li></ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"><li>• Cabinets and countertops that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li></ul>
<b>Replacement Cabinets</b>	<ul style="list-style-type: none"><li>• Reputable manufacturer.</li><li>• Solid hardwood face-frames, door-frames and drawer fronts.</li><li>• Metal and nylon drawer guides.</li><li>• Low or zero VOC adhesives and finishes.</li></ul>
<b>Replacement Countertops</b>	<ul style="list-style-type: none"><li>• Reputable manufacturer.</li><li>• 4" ceramic tile, 6" backsplash, bull-nose edge.</li></ul>

**KITCHEN EQUIPMENT AND APPLIANCES**

<b>Minimum Standard</b>	<ul style="list-style-type: none"><li>• Safe, sound, sanitary and in good working order.</li><li>• Faucets shall (at a minimum) be equipped with a low-flow aerator.</li><li>• Five or more years of practical utility.</li></ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"><li>• Kitchen fixtures, equipment and appliances that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li></ul>
<b>Replacement Sinks</b>	<ul style="list-style-type: none"><li>• Reputable manufacturer.</li><li>• 18-gauge (minimum) stainless steel.</li></ul>
<b>Replacement Faucets</b>	<ul style="list-style-type: none"><li>• EPA Water-Sense qualified.</li><li>• Reputable manufacturer.</li><li>• Brass construction, metal housing.</li></ul>
<b>Replacement Disposals</b>	<ul style="list-style-type: none"><li>• Reputable manufacturer.</li><li>• ½ HP motor (minimum).</li><li>• Stainless steel swivel lugs.</li></ul>
<b>Replacement Dishwashers</b>	<ul style="list-style-type: none"><li>• EPA Energy Star qualified.</li><li>• Reputable manufacturer.</li></ul>

<b>Replacement Hoods</b>	<b>Range</b>	<ul style="list-style-type: none"> <li>• EPA Energy Star qualified.</li> <li>• Reputable manufacturer.</li> </ul>
<b>Replacement Ranges</b>		<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• Pilot-free ignition.</li> <li>• Four sealed burners.</li> <li>• Self-cleaning oven with timer.</li> </ul>
<b>Replacement Cook Tops</b>		<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• Pilot-free ignition.</li> <li>• Four sealed burners.</li> </ul>
<b>Wall Ovens</b>		<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• Pilot-free ignition.</li> <li>• Self-cleaning oven with timer.</li> </ul>

#### **BATHROOM FIXTURES AND EQUIPMENT**

<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe, sound, sanitary and in good working order.</li> <li>• Faucets shall (at a minimum) be equipped with a low-flow aerator.</li> <li>• Showerheads shall (at a minimum) be equipped with low-flow aerator.</li> <li>• Porcelain sinks shall be free from any cracks or chips.</li> <li>• Steel sinks shall be free from any rust or corrosion.</li> <li>• Five or more years of practical utility.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Bathroom fixtures and equipment that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> <li>• Toilets that require more than 1.6 GPF shall be replaced regardless of their condition.</li> </ul>
<b>Replacement Sinks</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• Cast iron, white enamel finish.</li> </ul>
<b>Replacement Faucets</b>	<ul style="list-style-type: none"> <li>• EPA Water-Sense qualified.</li> <li>• Reputable manufacturer.</li> <li>• Brass construction, metal housing.</li> </ul>
<b>Replacement Toilets</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• EPA Water-Sense qualified (1.28 GPF)</li> </ul>
<b>Replacement Tubs</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• Cast iron body, white enamel finish, slip resistant bottom.</li> <li>• EPA Water-Sense qualified plumbing fixtures.</li> </ul>
<b>Replacement Combination Tub-Showers</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• Cast iron body, white enamel finish, slip resistant bottom.</li> <li>• 4" ceramic tile surround.</li> <li>• Anodized aluminum doors with tempered glass.</li> <li>• EPA Water-Sense qualified plumbing fixtures.</li> </ul>
<b>Replacement Showers</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• 4" ceramic tile.</li> <li>• Anodized aluminum door with tempered glass.</li> <li>• EPA Water-Sense qualified plumbing fixtures.</li> </ul>
<b>Replacement Medicine Cabinets</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• Steel body, beveled mirror door.</li> </ul>

<b>Towel Bars &amp; Toilet Paper Holders</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• Metal construction, polished chrome finish.</li> </ul>
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#### **WATER SUPPLY / WASTE AND VENT PIPING**

<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe, sound and leak-free.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Piping (supply, waste and vent) that does not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> </ul>
<b>Replacement Water Supply Piping</b>	<ul style="list-style-type: none"> <li>• Copper, type "L".</li> </ul>
<b>Replacement Waste &amp; Vent Piping</b>	<ul style="list-style-type: none"> <li>• Schedule 40 ABS.</li> </ul>

#### **WATER HEATERS**

<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe, sound and in good working order.</li> <li>• Five or more years of practical utility.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Water heaters that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> </ul>
<b>Replacement Water Heaters (Tank)</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• EPA Energy Star qualified.</li> <li>• 40-gallon insulated tank.</li> </ul>
<b>Replacement Water Heater (Tank-Less)</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• EPA Energy Star qualified.</li> </ul>

#### **ELECTRICAL SERVICE / WIRING**

<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe, sound and in good working order.</li> <li>• 100-ampere minimum service.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Electrical service panels, breakers and wiring that do not meet the minimum standard shall be replaced. Practical, cost effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> <li>• Knob and tube wiring shall be replaced regardless of its condition.</li> <li>• Overhead wiring from a dwelling to a detached garage or accessory building shall be installed underground regardless of its condition.</li> </ul>
<b>Replacement Service</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• 100-ampere (minimum).</li> </ul>
<b>Replacement Wiring</b>	<ul style="list-style-type: none"> <li>• Romex (NM cable).</li> </ul>

#### **ELECTRICAL SWITCHES / OUTLETS / LIGHTING FIXTURES**

<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe, sound and in good working order.</li> <li>• Light fixtures shall (at a minimum) be equipped with CFL bulbs.</li> <li>• Exterior lighting fixtures used for security shall be equipped with a motion sensor.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Electrical switches, outlets and lighting fixtures that do not meet the minimum standard shall be replaced. Practical, cost effective repairs</li> </ul>



	<p>are acceptable as long as compliance with the minimum standard will be achieved.</p> <ul style="list-style-type: none"> <li>• All new light fixtures shall be U.L. approved and Energy Star qualified.</li> <li>• Outlets located within 6 feet of a source of water shall be ground fault protected.</li> <li>• Exterior switches and outlets shall be weatherproof.</li> </ul>
<b>Replacement Switches &amp; Outlets</b>	<ul style="list-style-type: none"> <li>• U.L. approved.</li> </ul>
<b>Replacement Lighting Fixtures</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• U.L. approved and EPA Energy Star qualified.</li> </ul>

<b>HVAC</b>	
<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Safe, sound and in good working order.</li> <li>• Five or more years of practical utility.</li> </ul>
<b>Rehabilitation</b>	<ul style="list-style-type: none"> <li>• HVAC that does not meet the minimum standard shall be replaced. Practical, cost-effective repairs are acceptable as long as compliance with the minimum standard will be achieved.</li> <li>• Tune-up all HVAC equipment (as a minimum).</li> <li>• Seal all ducts (as a minimum).</li> <li>• All new HVAC equipment shall be sized properly.</li> </ul>
<b>Furnaces</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• EPA Energy Star qualified.</li> </ul>
<b>Central Air Conditioners</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• EPA Energy Star qualified.</li> </ul>
<b>Thermostats</b>	<ul style="list-style-type: none"> <li>• Reputable manufacturer.</li> <li>• EPA Energy Star qualified.</li> <li>• Programmable.</li> </ul>

<b>NON-PERMITTED ADDITIONS AND CONVERSIONS</b>	
<b>Minimum Standard</b>	<ul style="list-style-type: none"> <li>• Additions and alterations that were constructed without a building permit and are clearly substandard shall be removed.</li> <li>• Garages converted to living quarters shall be returned to their original use.</li> <li>• Additions and alterations that were constructed without a building permit, but appear to be compliant, shall be inspected by the City's Building Official to determine if a building permit can be issued and they can be saved.</li> </ul>

**EXHIBIT B**  
**TO BE INCLUDED IN PROPOSAL**

**CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY**  
**REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT**

**ALIGNMENT WITH THE CITY'S HOUSING ELEMENT AND STRATEGIC PLAN**

Please check those goals in the Housing Element and Strategic Plan that the proposed project aligns with:

<input type="checkbox"/>	<b>HE-1.1 Housing Conditions.</b> Promote the rehabilitation, repair, and improvement of single-family, multiple-family, and mobile homes and, if needed, the demolition of substandard housing that presents a health and safety hazard.
<input type="checkbox"/>	<b>HE-1.7 Historic Preservation.</b> Support preservation and enhancement of residential structures, properties, street designs, lot patterns, and other visible reminders of neighborhoods that are considered local historic or cultural resources.
<input type="checkbox"/>	<b>HE-2.1 Downtown.</b> Strengthen Santa Ana's core as a vibrant mixed-use and mixed-income environment by capitalizing on the government center, arts district, historic downtown, transit-oriented housing, and diverse neighborhoods.
<input type="checkbox"/>	<b>HE 2-3 Rental Housing.</b> Encourage the construction of rental housing for Santa Ana's residents and workforce, including a commitment to very low, low, and moderate income residents and moderate income Santa Ana workers.
<input type="checkbox"/>	<b>HE-2.4 Diverse Housing Type.</b> Facilitate diverse types, prices, and sizes of housing, including single-family homes, apartments, townhomes, mixed/multiuse housing, transit-oriented housing, multigenerational housing, and live-work opportunities.
<input type="checkbox"/>	<b>HE-2.5 Housing Design.</b> Require excellence in architectural design through the use of materials and colors, building treatments, landscaping, open space, parking, and environmental sensitive ("green") building and design practices.
<input type="checkbox"/>	<b>HE -3.2 Homeownership.</b> Increase and expand homeownership opportunities for low and moderate income residents and employees working in Santa Ana through the provision of financial assistance, education, and collaborative partnerships.
<input type="checkbox"/>	<b>HE-4.1 Senior Housing.</b> Support development of affordable senior rental and ownership housing, readily accessible to support services; provide assistance for seniors to maintain and repair their homes to facilitate the maximum independent living.
<input type="checkbox"/>	<b>HE-4.2 Family Housing.</b> Facilitate and encourage the development of larger rental and ownership units for families, including lower and moderate income families, and the provision of childcare, after-school care, and other services when feasible.
<input type="checkbox"/>	<b>HE-4.3 Housing for Disabled People.</b> Support the development of permanent, affordable, and accessible housing that allows people with disabilities to live independent lives, and assist them in maintaining and repairing their homes.
<input type="checkbox"/>	<b>HE-4.4 Service-Enriched Housing.</b> Support the provision of supportive services and service-enriched housing for persons with special needs, such as senior, disabled people, homeless people, families, veterans, and people with medical conditions.
<input type="checkbox"/>	<b>HE-4.5 Healthy Homes.</b> Support efforts to make homes more healthful by addressing health hazards associated with lead-based paint, asbestos, vermin, mold, VOC-laden materials, and prohibiting smoking in multi-family project, among others.
<input type="checkbox"/>	<b>HE-4.8 Housing Priority.</b> Provide that Santa Ana residents, employees, and designated need groups receive priority for affordable housing created under the

	Housing Opportunity Ordinance or with City funding to the extent allowed under state law.
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Strategic Plan Goals and Objectives

<input type="checkbox"/>	Re-use of Commercial or Industrial Buildings that are currently underutilized or vacant for mixed-use residential projects
<input type="checkbox"/>	Provide that Santa Ana residents, employees, artists and veterans receive priority for affordable housing  Does this project give priority to the following populations: <input type="checkbox"/> Residents, if so how many units? _____ <input type="checkbox"/> Employees, if so how many units? _____ <input type="checkbox"/> Artists, if so how many units? _____ <input type="checkbox"/> Veterans, if so how many units? _____

FIRM

SIGNED AND PRINTED NAME

TITLE

DATE

**EXHIBIT C**  
**NOT REQUIRED UNTIL AFTER DEVELOPER SELECTION**

**CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY**  
**REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT**

**ADDITIONAL INSURED ENDORSEMENT FOR COMMERCIAL**  
**GENERAL LIABILITY AND BUSINESS AUTOMOBILE POLICIES**

Insurance Company \_\_\_\_\_

This endorsement modifies such insurance as is afforded by the provisions of Policy # \_\_\_\_\_ relating to the following:

1. The City of Santa Ana and the Housing Authority of the City of Santa Ana, 20 Civic Center Plaza M-25, Santa Ana, California 92701; its officers, employees, agents, volunteers and representatives are named as additional insureds ("additional insureds") with regard to liability and defense of suits arising from the operations and uses performed by or on behalf of the named insured.
2. With respect to claims arising out of the operations and uses performed by or on behalf of the named insured, such insurance as is afforded by this policy is primary and is not additional to or contributing with any other insurance carried by or for the benefit of the additional insureds.
3. This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. With respect to the additional insureds, this insurance shall not be cancelled, or materially reduced in coverage or limits except after thirty (30) days written notice has been given to the City of Santa Ana, 20 Civic Center Plaza M-25, Santa Ana, California 92701.

(Completion of the following, including countersignature, is required to make this endorsement effective.)

Effective \_\_\_\_\_, this endorsement form as part of  
Policy # \_\_\_\_\_  
Issued to \_\_\_\_\_  
Name Insured

Countersigned by: \_\_\_\_\_  
Authorized Representative

**EXHIBIT D**  
**TO BE INCLUDED IN PROPOSAL**

**CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY**  
**REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT**

**PROPOSAL & CONTRACT AGREEMENT**

**PROPOSER'S STATEMENT**

Proposer understands and agrees that this written RFP (or any part thereof specifically designated and accepted by the City of Santa Ana and the Housing Authority of the City of Santa Ana, hereinafter collectively referred to as the City) shall constitute the entire agreement between proposer and the City only after it has been accepted by the City Council, endorsed by the Clerk of the Council with her signature and official seal noting here on the action of approval of the Council, signed by the Executive Director or his duly authorized agent, and signed by the City Attorney, denoting her approval of the form of this document, and its execution, and when it or an exact copy of it has been either delivered to proposer or deposited with the United States Postal Service properly addressed to the proposer with the correct postage affixed thereto.

Proposer further agrees that upon delivery (as defined above) of the accepted agreement he/she will furnish City all required bonds and certificates of liability insurance within ten (10) days (excluding Saturdays, Sundays and City's legal holidays), or the funds, check, draft, or proposer's bond substituted in lieu thereof accompanying this proposal shall become the property of the City and shall be considered as payment of damages due to the delay and other causes suffered by City because of the failure to enter into an Agreement and/or furnish the necessary bonds and because it is distinctly agreed that the proof of damages actually suffered by City is difficult to ascertain; otherwise said funds, check drafts, or proposer's bond substituted in lieu thereof shall be returned to the undersigned.

Proposer understands that a proposal is required for the entire work, that the estimated quantities set forth in the RFP schedule are solely for the purpose of comparing proposals, and that final compensation under the contract will be based upon the actual quantities of work satisfactorily completed.

All terms contained in the Specifications, the Certification of Non-Discrimination by Developers, and the Workers' Compensation Insurance Certificate are to be incorporated by reference into this Agreement and are made specifically as part of this RFP.

\_\_\_\_\_  
FIRM

\_\_\_\_\_  
SIGNED AND PRINTED NAME

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

**EXHIBIT E**  
**TO BE INCLUDED IN PROPOSAL**

**CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY**  
**REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT**

**PROPOSAL AND CONTRACT AGREEMENT**

**CERTIFICATION OF NONDISCRIMINATION BY DEVELOPER**

The undersigned Developer or corporate officer, during the performance of this contract, certifies as follows:

1. The Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Developer shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
2. The Developer shall, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
3. The Developer shall send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Developer's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The Developer shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. The Developer shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation, to ascertain compliance with such rules, regulations, and orders.
6. In the event of the Developer's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the Developer may be declared ineligible for further Government contracts or federally assisted construction/services contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.
7. The Developer shall include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontract or purchase order as the administering agency may direct as means of enforcing such provisions, including sanctions for

noncompliance; provided, however, that in the event the Developer becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the

8. Developer may request that the United States enter into such litigation to protect the interests of the United States.

9. Pursuant to California Labor Code Section 1735, as added by Chapter 643 Stats. 1039, and as amended,

No discrimination shall be made in the employment of persons because of race, religious creed, color national origin, ancestry, physical handicaps, mental condition, marital status, or sex of such persons, except as provided in Section 1420, and any Developer violating this Section is subject to all the penalties imposed for a violation of the Chapter.

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FIRM

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SIGNED AND PRINTED NAME

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TITLE

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DATE

**EXHIBIT F**  
**TO BE INCLUDED IN PROPOSAL**

**CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY**  
**REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT**

**PROPOSAL AND CONTRACT AGREEMENT**

**NON-COLLUSION AFFIDAVIT**

(Title 23 United States Code Section 112 and  
Public Contract Code Section 7106)

To the CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY

In accordance with Title 23 United States Code Section 112 and Public Contract Code 7106 the PROPOSER declares that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the PROPOSER has not directly or indirectly induced or solicited any other PROPOSER to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived or agreed with any PROPOSER or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the PROPOSER has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the PROPOSER or any PROPOSER, or to fix any overhead, profit, or cost element of the bid price, or of that of any other PROPOSER, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the PROPOSER has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Note: The above Non-collusion Affidavit is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Non-collusion Affidavit. PROPOSERS are cautioned that making a false certification may subject the certifier to criminal prosecution.

State of California

County of \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
Notary Public Seal



**EXHIBIT G**  
**TO BE INCLUDED IN PROPOSAL**

**CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY**  
**REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT**

**PROPOSAL AND CONTRACT AGREEMENT**

**COMMITMENT TO ENTER INTO MEMORANDUM OF UNDERSTANDING**  
**WITH THE SANTA ANA WORK CENTER**

Proposer understands and agrees that s/he will be required to enter into a Memorandum of Understanding (MOU) with the Santa Ana Work Center to coordinate services. The purpose of the MOU is to establish a cooperative working relationship between the parties in order to provide program beneficiaries with information about Work Center opportunities to find better jobs and careers. The MOU serves to establish the framework for providing services to employers, job seekers and others needing workforce services. The goal is to ensure that all program beneficiaries have been provided an opportunity to connect with the Work Center and be assisted with the tools and knowledge necessary to enter the workforce or obtain a higher-paying job. The Santa Ana WORK Center is available to connect program beneficiaries to a full range of no-cost services, resources and opportunities to help:

- Build the skills employers want most
- Access training and/or education programs that lead to employment
- Find the jobs and employers who are hiring
- Screen for additional employment or social services
- Receive support to succeed in job search

Proposers are encouraged to contact the Santa Ana Work Center at (714) 565-2629 to learn more about their programs and services and the terms and conditions of the MOU.

A template for the MOU will be provided promptly to the proposer after the announcement of an award.

All terms contained in the Memorandum of Understanding are to be incorporated by reference into this Agreement and are made specifically as part of this RFP.

\_\_\_\_\_  
FIRM

\_\_\_\_\_  
SIGNED AND PRINTED NAME

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

EXHIBIT H

CITY OF SANTA ANA COMMUNITY DEVELOPMENT AGENCY  
REQUEST FOR PROPOSALS FOR AFFORDABLE HOUSING DEVELOPMENT

MAPS OF LAND ASSETS OWNED BY THE HOUSING AUTHORITY OF THE CITY OF SANTA ANA

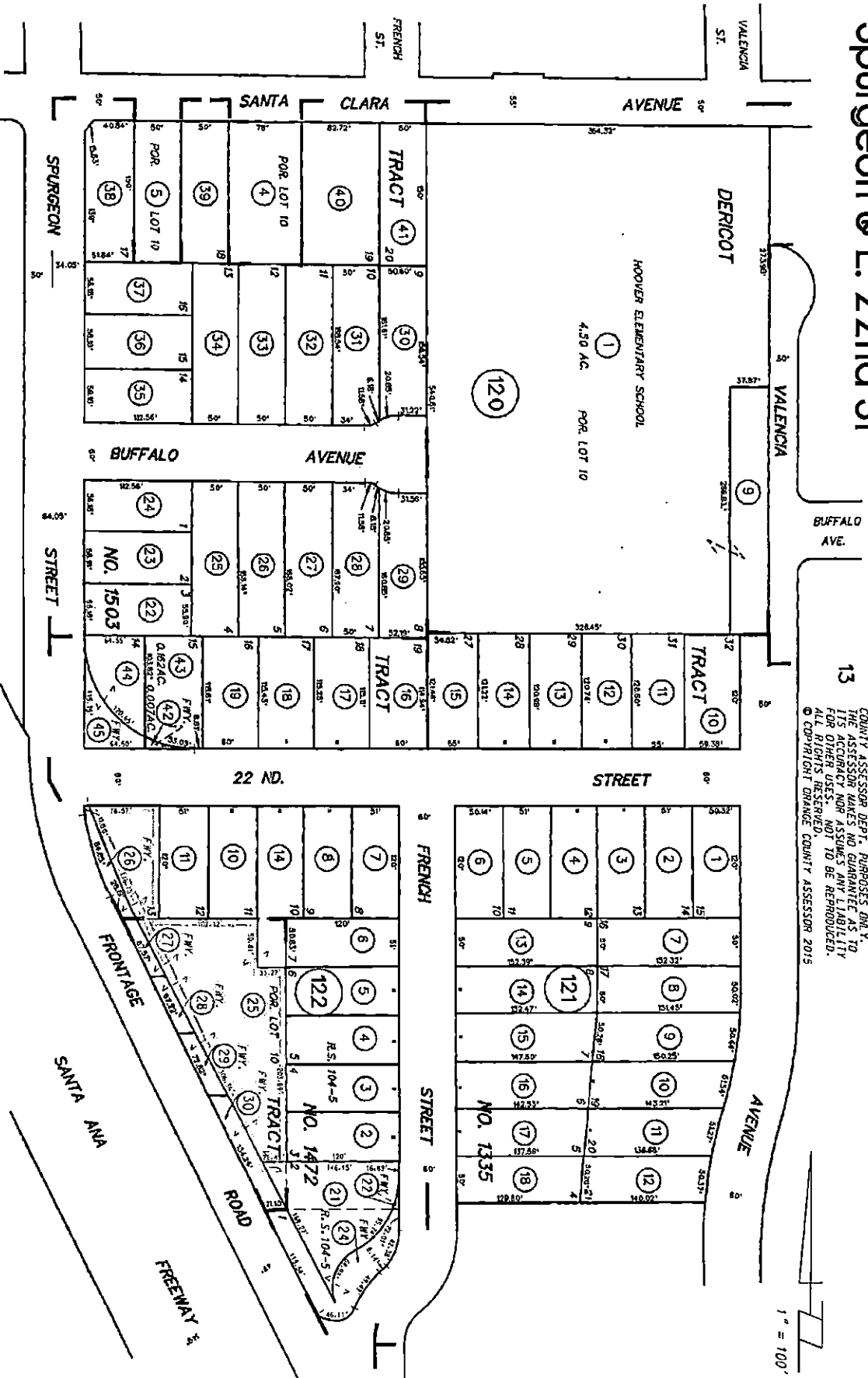
DRAFT

# Spurgeon & E. 22nd St

13

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1" = 100'



MARCH 1948  
DERICOT TRACT  
TRACT NO. 1335  
TRACT NO. 1472  
TRACT NO. 1503

M.M. 1-95  
M.M. 42-36  
M.M. 43-38  
M.M. 44-48

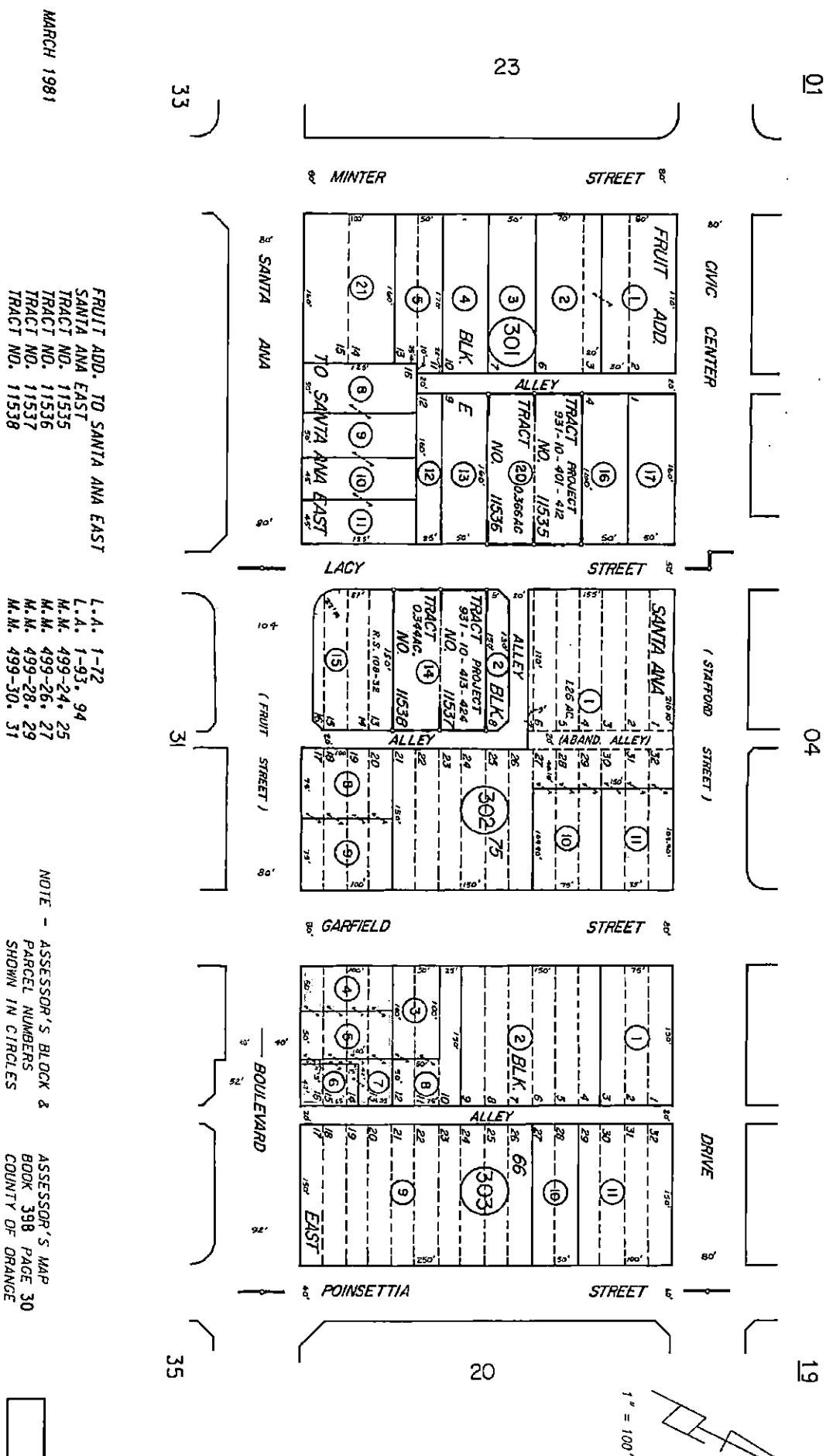
11

NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES

ASSESSOR'S MAP BOOK 003 PAGE 12  
COUNTY OF GRANGE

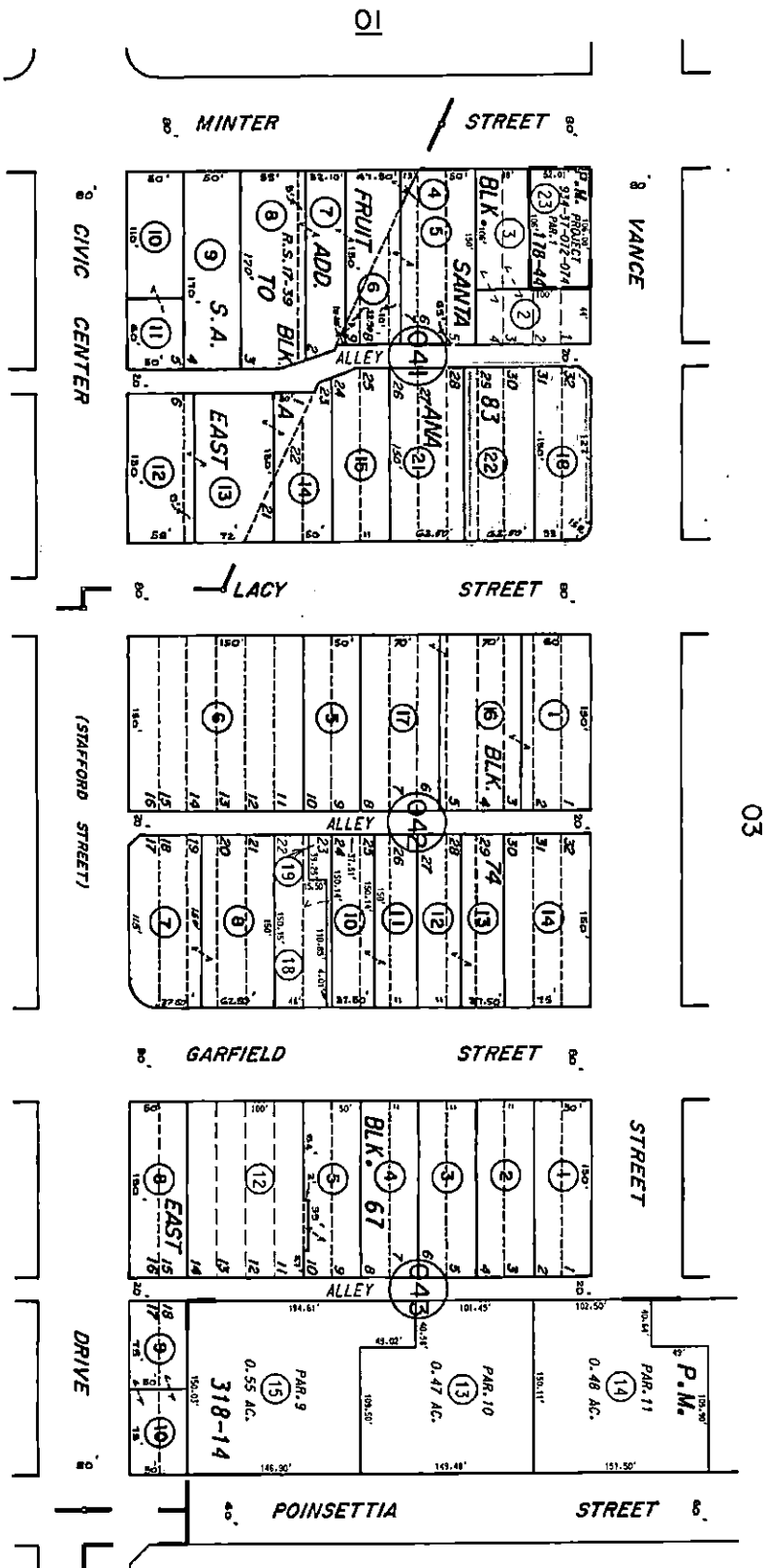
801, 809 & 809 1/2 E. Santa Ana Blvd

398-30



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# 826 N Lacy / 830 N Lacy



MARCH 1976

FRUIT ADD. TO S.A. EAST  
SANTA ANA EAST  
PARCEL MAP

L.A. 1-72  
L.A. 1-93.94  
P.M. 178-44, 318-14

NOTE - ASSESSOR'S BLOCK &  
PARCEL NUMBERS  
SHOWN IN CIRCLES

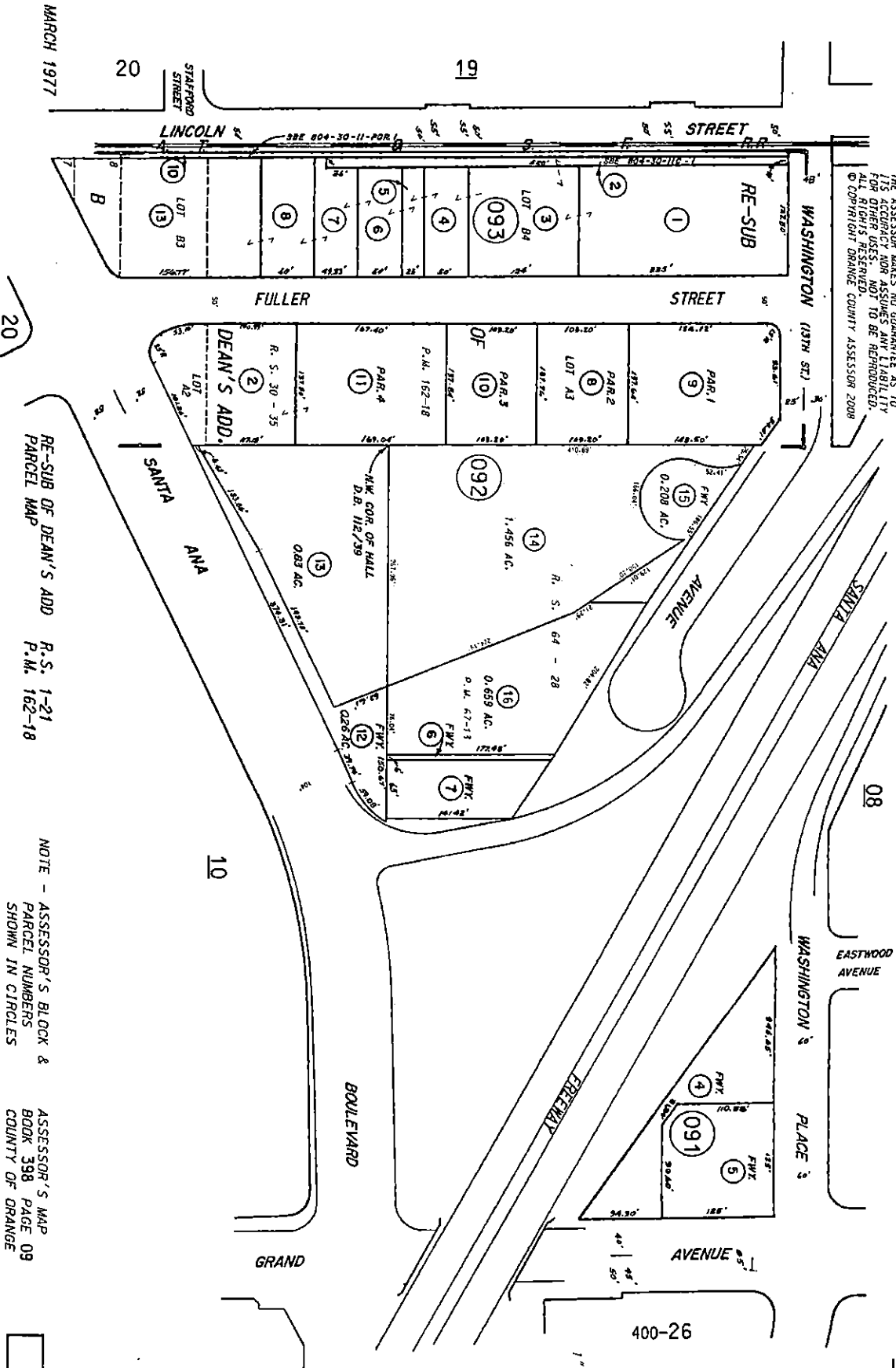
ASSESSOR'S MAP  
BOOK 398 PAGE 04  
COUNTY OF ORANGE

# 1126 & 1146 E. Washington Ave

POR. S 1/2, NE 1/4, SEC. 7, T 5 S, R 9 W

398-09

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MARCH 1977

20

RE-SUB OF DEAN'S ADD  
PARCEL MAP  
R.S. 1-21  
P.M. 162-18

NOTE - ASSESSOR'S BLOCK &  
PARCEL NUMBERS  
SHOWN IN CIRCLES

ASSESSOR'S MAP  
BOOK 398 PAGE 09  
COUNTY OF ORANGE

19D-54