

Request for Proposals

AFFORDABLE HOUSING IN ELK GROVE

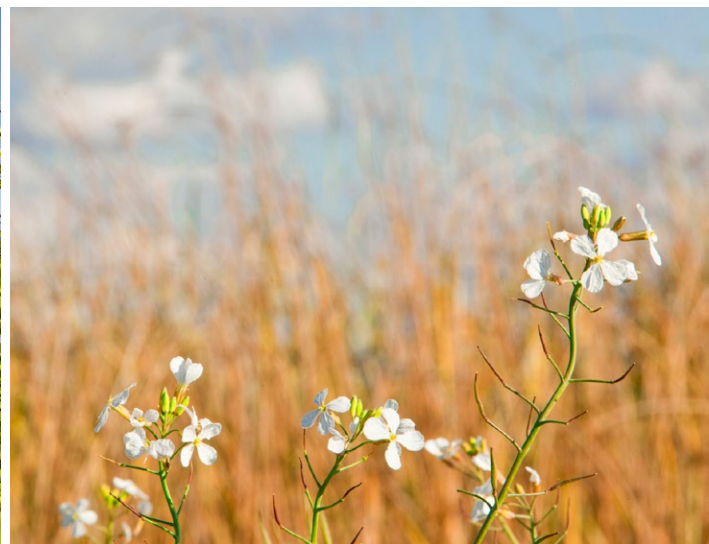


**DEADLINE FOR SUBMITTALS:
Friday, June 30th, 2023, 4:00 PM PT**

Submit responses to City Clerk Jason Lindgren at jlindgren@elkgrovecity.org, with a copy to Sarah Bontrager at sbontrager@elkgrovecity.org.

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CURRENT LRT
TERMINUS

TO DOWNTOWN
SACRAMENTO

5 ACRE SITE

IN HUD DDA TRACT
(GRAY SHADING)

FUTURE LRT
STATION



2 ACRE SITE

IN CTCAC HIGH
OPPORTUNITY AREA
(BLUE SHADING)

1

DEVELOPMENT OFFERING OVERVIEW

THE VISION

Affordable housing on prime sites with high-quality urban form

The City of Elk Grove (City) is accepting submissions from developers that demonstrate their qualifications and ideas for developing and operating new affordable housing in the City. This Request for Proposals (RFP), while not a Request for Qualifications, aims to be easy to respond to, soliciting respondents' high-level ideas and intuitions rather than detailed plans and proformas. The RFP contains information on two City-owned sites. Developers may submit for one or both sites but will only be selected for one site. Each project will be financially supported, in part, by one or more of the following: a loan from the City's Affordable Housing Loan Program and discounted or dedicated land.

The City envisions well-designed affordable housing with a dense, attractive, and urban form, catalyzing a shift in the feel and function of new development in Elk Grove.

Old Town Site: Affordable Senior Housing

- 2.2 gross acres of undeveloped flat land fronting Elk Grove Blvd in charming Old Town
- Site size and zoning allows for an estimated 60-100 units
- TCAC high opportunity designation
- Clean Phase I environmental report
- No offsite infrastructure needs anticipated

Sheldon Farms North: Affordable Large Family Housing

- 5.5 gross acres of undeveloped, flat land fronting Bruceville Road at the gateway from Sacramento City into Elk Grove
- Site size and zoning allows for an estimated 120-200 units
- Included in a Mitigated Negative Declaration (MND) for the surrounding subdivision. Minimal to no added environmental review expected to be required, assuming the proposed development's environmental effects were adequately addressed in the MND.
- HUD Difficult Development Area designation offers basis boost
- Clean Phase I and II environmental reports
- No offsite infrastructure needs anticipated; sidewalks already built, site rough graded, and utilities stubbed
- On City and SacRT's preferred alignment for future extension of Blue Line light rail

THE OFFER

Opportunity to acquire a public site and receive development loan

The City anticipates having a combined total of \$9 million in financial support available to the two development projects. That support could be entirely loan funds if the two sites are sold at market value to selected developers. The support could also be comprised of a combination of a relatively smaller loan plus a land dedication. The City is open to the deal structure that proves most mutually advantageous and does not increase the value of the City-provided financial support beyond \$6 million per project and \$9 million across both projects.

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By responding to this RFP, the respondent enters into a competitive selection process. Following that process, the selected developers may enter into an Exclusive Negotiation Agreement (ENA) or similar with the City, apply for a City loan, development approval, and

construction permits, and enter into a Development and Disposition Agreement to acquire and develop one of the sites, subject to requisite approvals and negotiation. Developers may respond to the RFP indicating their interest and qualifications for both sites, but each site will be awarded to a different developer.

Responses must be submitted to the City Clerk Jason Lindgren at jlindgren@elkgrovecity.org, with a copy to Sarah Bontrager at sbontrager@elkgrovecity.org, by June 30, 2023 at 4:00pm PT. During the response period, questions received and their answers will be posted on the RFP website biweekly. Submission review, interviews, and staff recommendation will take place in July/August 2023.

Figure 1. Old Town Elk Grove Along Elk Grove Boulevard





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BACKGROUND

AFFORDABLE HOUSING NEED AND INVESTMENT

The City needs 8,000 new housing units affordable to low-income populations

The Sacramento Area Council of Governments' (SACOG) Regional Housing Needs Plan assigned the City the task of zoning sufficient capacity for and facilitating the development of over 8,000 new housing units during the 6th RHNA Cycle (2021-29). Over half of that housing need is designated for low- and very low-income populations earning less than 80% of the area median income.

The City has and is continuing to invest in affordable housing

The City has invested about \$74 million in the creation of almost 1,800 rental units affordable to low-income households since 2003. The City acquired two sites for affordable housing development to continue responding to the need, one site in Old Town Elk Grove and the other along Bruceville Road near the City's northern border with Sacramento City. Both sites are zoned for high-density residential development, are close to local shopping destinations, and are 20 to 25 minutes south of Downtown Sacramento by car. In addition to acquiring sites, the City plans to help meet the large need using loans from its Affordable Housing Fund. This RFP offers developers a fresh opportunity to access program loan funds and apply them to affordable-housing development on the two City-owned sites, carrying on this fundamental work.

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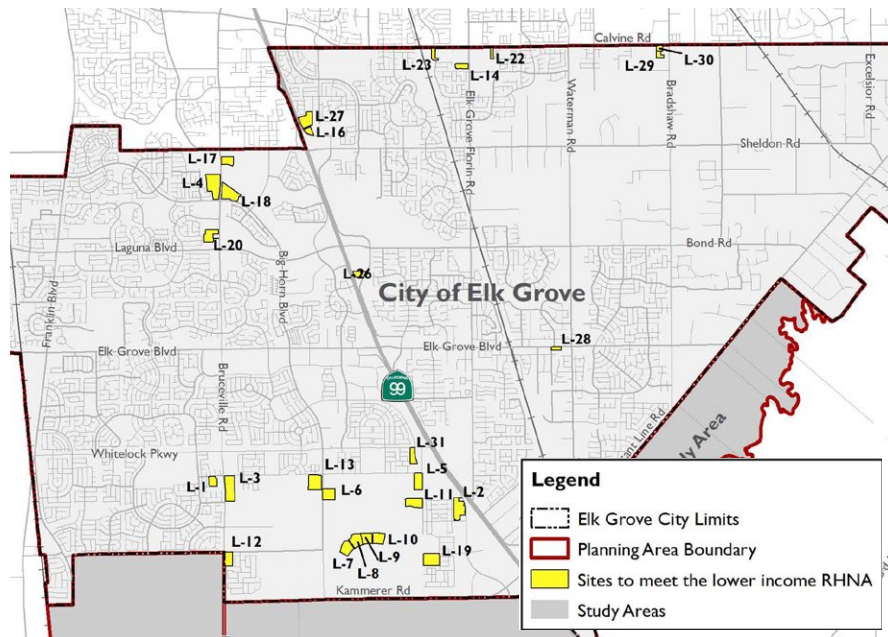


Figure 2. City of Elk Grove's RHNA Affordable Housing Sites

Housing Need by Income Category				
Very Low	Low	Moderate	Above Moderate	Total
2,661	1,604	1,186	2,812	8,263

Table 1. City of Elk Grove's RHNA Assigned Housing Need



Figure 3. Old Town Site and Surrounding Neighborhood, Looking North



Figure 4. Sheldon Farms North Site and Surrounding Neighborhood, Looking North



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SITE INFORMATION AND VISION

OLD TOWN: SITE INFORMATION

2.2 Acres in a High Opportunity Neighborhood

The two acre site consists of four undeveloped lots located in the historic Old Town neighborhood at 9220-44 Elk Grove Blvd, Elk Grove, CA 95624 (APNs: 134-0072-016-0000, 134-0072-015-0000, 134-0072-014-0000, 134-0072-013-0000). See Appendix A (Site Details) for more information.

Key Assets

- Grassland clear of structures, generally flat but not graded
- Less than a quarter mile from a pharmacy, credit union, grocery store, restaurants, and the future Elk Grove public library
- Site's census tract has a California Tax Credit Allocation Committee (TCAC) high opportunity designation
- No offsite infrastructure needs anticipated
- Clean Phase I environmental report

Key Constraints

- A 30' drainage easement held by Sacramento County runs along the southern edge of the site. The City's engineering department has assessed that the drainage can be piped, enabling the area affected by the easement to be paved and used for parking or circulation.
- The site contains several stands of oak trees protected by Elk Grove Municipal Code (EGMC) Chapter 19.12. If development necessitates removal of such trees, the developer will need to gather evidence to support a City finding in favor of removing and mitigating for these trees, then obtain a tree removal permit to remove any trees of local importance.



Figure 5. Old Town Site, Looking East From the Intersection of Webb and Elk Grove Boulevard

General Plan and Zoning

This site has a General Plan designation of High Density Residential. The site is currently zoned RD-25. Note that prior to summer 2021, this site was zoned within the Old Town Special Planning Area (OTSPA), which is an area master plan with a special purpose zoning district that applies to all properties along Elk Grove Boulevard from Elk Grove Florin Road to Waterman Road. The site was removed from the OTSPA as part of the adoption of the 2021 Housing Element in order to achieve compliance with State law. Additional consistency amendments to the OTSPA are required for this site. The City intends to complete these updates, as well as a comprehensive update to the OTSPA; however, the timeline has not been finalized. It is possible that a rezoning may occur prior to entitlement approval, or it may occur after. The City will work with the selected developer on any timing concerns. Regardless, the City requires that the project design be reflective of the surrounding built conditions and historical context of the Old Town area.

The development standards for the RD-25 zone are summarized in Table 2. The City expects the project to incorporate applicable Citywide design guidelines as well as considerations from the current (or future) Old Town SPA as part of its design review approvals. Due to the rapidly evolving State-level legal landscape, Table 2 does not factor in developer incentives available pursuant to State law, such as density bonuses, incentives, concessions, and waivers.

Table 2. (Right) Development Standards Old Town Site

Development Standards	RD-25 Zone
Uses	Residential
Maximum Density	30 units/acre
Maximum Height	40' (60' subject to Planning Commission approval)
FAR	No limit
Minimum Front Setback	15'
Minimum Side Setback	15'
Minimum Rear Setback	20'
Minimum Lot Area	None
Open Space Requirements	15% landscape coverage 60 sf open space/unit
Design Guidelines	Citywide Guidelines
Parking Minimums	<i>Dwelling, Multiple Residential Unit</i> Senior = .75 Studio = 1.17 1BR = 1.17 2BR = 1.92

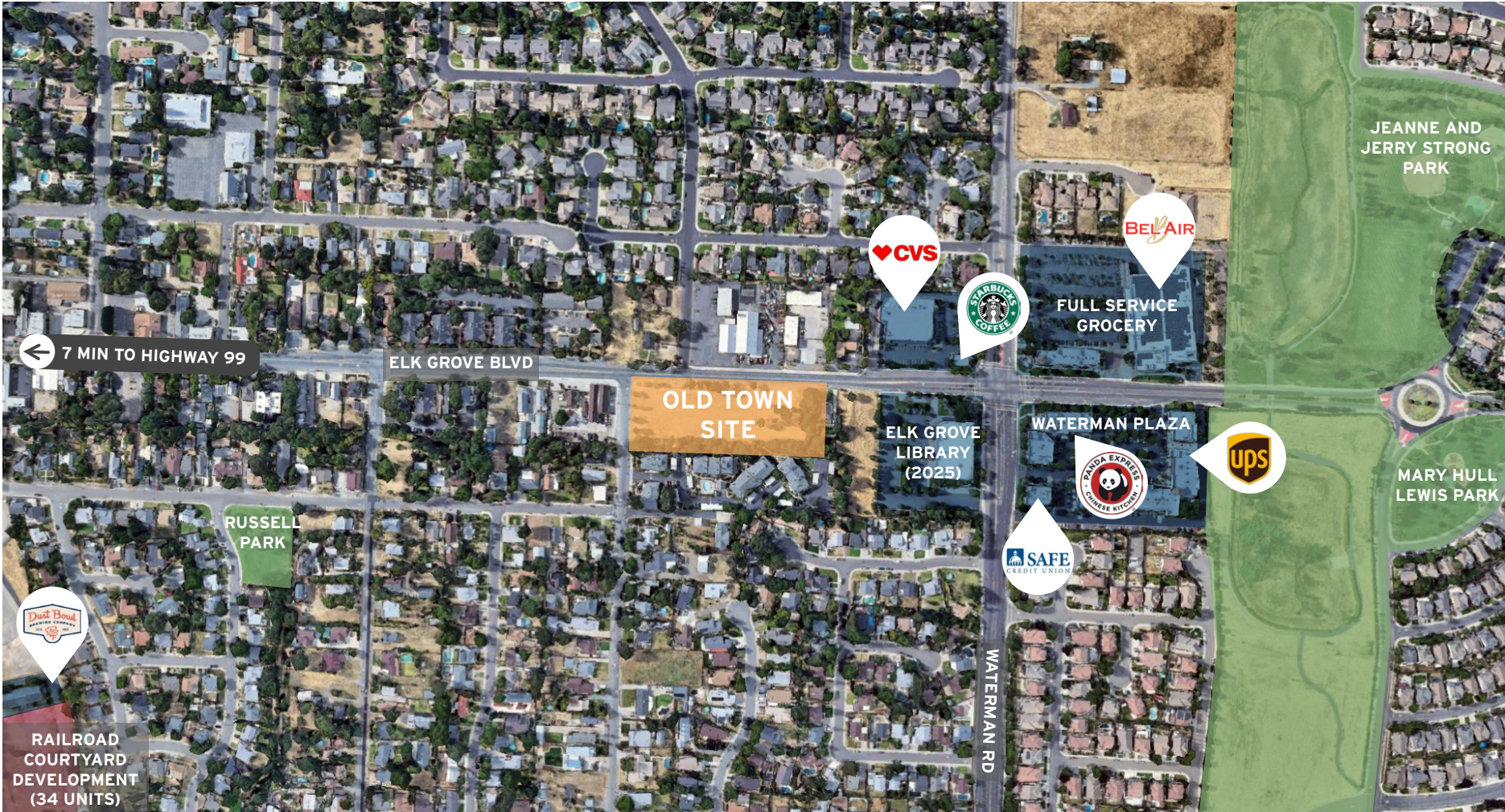


Figure 6. Old Town Site Neighborhood Context Map

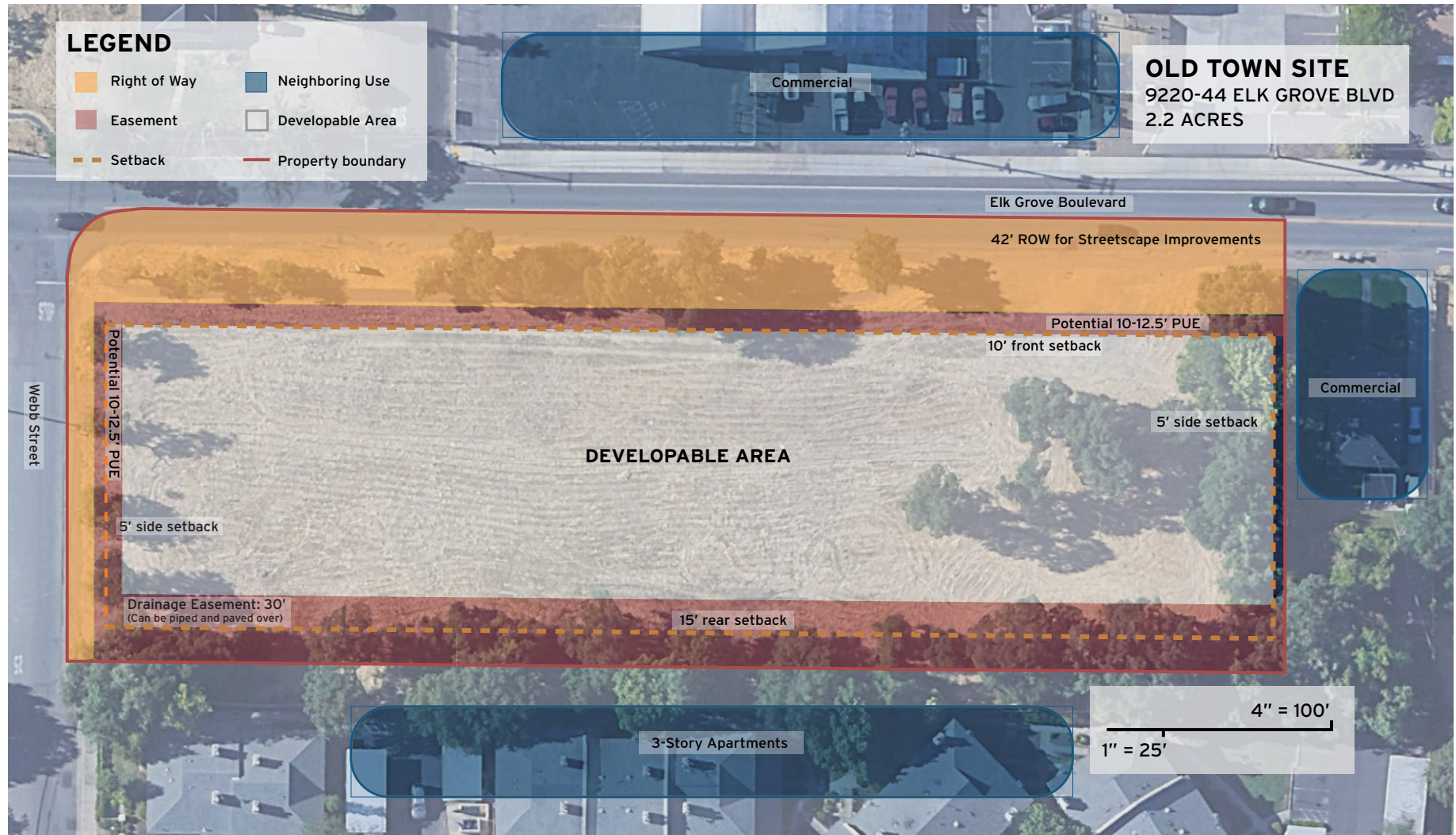


Figure 7. Old Town Site Constraints Diagram

OLD TOWN: VISION

Attractive Affordable Housing for Seniors

The City envisions affordable housing serving low-income seniors that features high-quality design that complements the surrounding Old Town neighborhood. The development will orient toward Elk Grove Boulevard—it will frame and activate the street, offering a feeling of comfortable enclosure. It will add density and a more urban form than previously common in the neighborhood, while using design details to reference and honor the historic architectural styles in the Old Town neighborhood. Given the target population, the development will require fewer parking spaces than family housing, maximizing the narrow site’s ability to serve many households in this amenity-rich neighborhood. A small ground-floor commercial space could be explored as an opportunity to more substantially integrate the site into the surrounding neighborhood; childcare in particular is an exciting possibility to the City. However, it is understood this may have a financial cost and, as such, may be worth exploring but would not be a “must-have dealbreaker.” Three story development is allowed under the current development standards, but the City will be open to a fourth story, should it prove financially feasible and legally permissible. Likewise, the City understands that funding application criteria and scoring may make it more feasible to fund a project serving a population other than seniors. Should senior housing prove infeasible or unable to quickly advance, the City is open to projects serving other populations. However, senior housing is the preferred approach to facilitate aging in place and offer a product type that hasn’t been provided by the City recently.

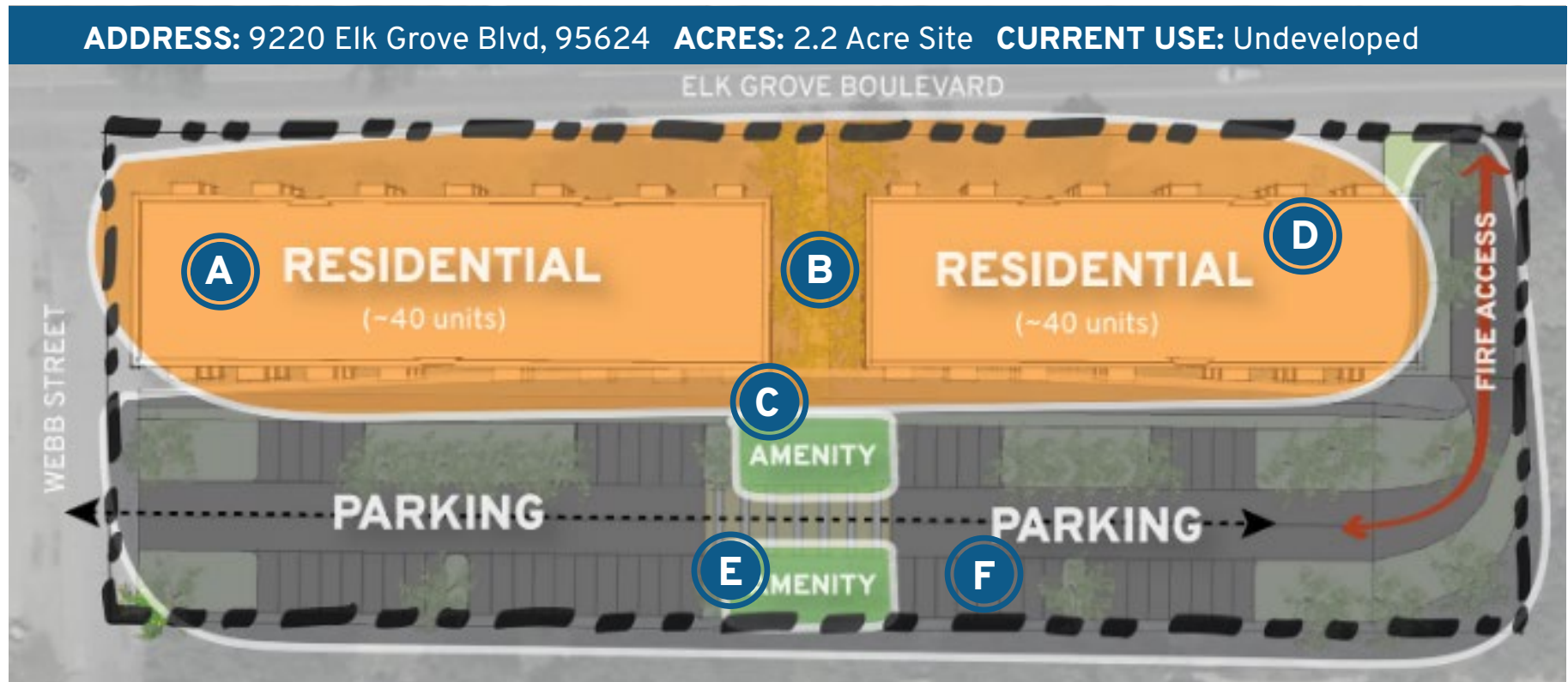
The City commissioned the exploratory model below to estimate the development potential of the site and illustrate the design principles supported in a final site plan. The model below is not intended to be prescriptive, only advisory. The City views the developer and architect as the experts—as such, the City wishes to understand the developer’s own design and programming solutions that build on the ideas shown here and enhance development feasibility, quality, competitiveness for funding, and unit density.

City Exploratory Model

Units (Density)	79 (35/acre) Applied bonus in EGMC 23.50.040.A.7
Parking (Ratio)	56 (0.7/unit) Applied bonus in EGMC 23.50.030.D.4
Height	3 stories (38’)
Residential SF	56,000 sf
Usable Open Space SF	12,000 sf
Community Space SF	3,000 sf
Commercial SF	1,000 sf
Bedroom Breakdown	1BR: 65% 2BR: 35%

Table 3. Development Program Summary for the City’s Old Town Site Exploratory Model

Figure 8. City's Exploratory Model for the Old Town Site, Demonstrating Key Design Principles and Overall Potential



Neighborhood Retail (if feasible)



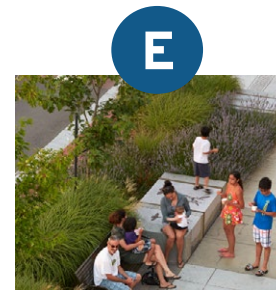
Inviting Courtyard & Pedestrian Space



Central Community Space on Courtyard



Buildings Front the Street



Quality Amenities & Open Space



Parking Hidden Behind Buildings

SHELDON FARMS NORTH: SITE INFORMATION

Blank Slate Land Fully Prepped for Affordable Family Development

The site is over 5 acres of undeveloped grassland located at 8851 Bruceville Road, Elk Grove, CA 95758 near Elk Grove's border with Sacramento City, positioning it as a gateway to the City (APN: 116-0012-070-0000).

Key Assets

- Free of structures and will be delivered rough graded with sidewalks and utilities stubbed behind the curb
- Included in a MND for the surrounding subdivision; minimal to no additional environmental review may be required, depending upon the whether the environmental effects of the proposed development were adequately addressed in the MND
- Site's census tract has a HUD Difficult Development Area designation and a TCAC moderate opportunity designation
- Less than a half mile from a pharmacy and grocery store, and less than a mile from a variety of other education, shopping, eating, and health services
- Clean Phase I and II environmental reports
- No offsite infrastructure needs anticipated
- On City and SacRT's preferred alignment for future extension of Blue Line light rail

Key Constraints

- Easements: A pedestrian easement, a public utilities easement, a slope and drainage easement, and private storm drain and related access easement affect the site's perimeter.
- IODs: Two Irrevocable Offers of Dedication (IODs) are present on the title report. One runs along the southern portion of the site, dedicating 42' to the City for the land needed for Mashpee Way, which is currently being constructed. The second is a 40' IOD that overlaps with the pedestrian and public utilities easements on the western edge of the site. This IOD is for the potential expansion of the Blue Line light rail south from its current terminus at Cosumnes River College into Elk Grove along Bruceville Road.

General Plan and Zoning

The site is in the High Density Residential RD-30 zone and has a General Plan designation of High Density Residential. The City’s current development standards are summarized in Table 4. Due to the rapidly evolving State-level legal landscape, Table 4 does not factor in developer incentives available pursuant to State law, such as density bonuses, incentives, concessions, and waivers.



Figure 9. (Above) Sheldon Farms North Looking North from the Intersection of Mashpee Way and Barnstable Road

Table 4. (Right) Development Standards for the Sheldon Farms Noth Site

Development Standards	RD-30 Zone
Uses	Residential
Maximum Density	30 units/acre
Maximum Height	40' (60' subject to Planning Commission approval)
FAR	No limit
Minimum Front Setback	15'
Minimum Side Setback	15'
Minimum Rear Setback	20'
Minimum Lot Area	None
Open Space Requirements	20% landscape coverage 80 sf open space/unit
Design Guidelines	Citywide Guidelines
Parking Minimums	<i>Dwelling, Multiple Residential Unit</i> Studio = 1.17 1BR = 1.17 2BR = 1.92 3BR = 2.17



Figure 10. Sheldon Farms North Site Neighborhood Context Map



Figure 11. Sheldon Farms North Site Constraints Diagram

SHELDON FARMS NORTH VISION

Attractive Affordable Family Housing That Builds the Case for Future Transit

The City envisions attractive affordable housing for low-income families that enlivens the corridor and maximizes on the visual opportunity presented by this gateway site along its edge with Bruceville Road. The development will feature a high unit-density and transit-oriented design, supporting the City’s case for a future expansion of the Blue Line light rail to run adjacent to the site and serve a future station less than a ¼ mile to the south. To that end, the City is open to development concepts that use available density bonuses to provide more units, including concepts with four-story buildings and less parking than the exploratory model below (if such concepts prove financially, physically, and legally feasible). The development will feature elevated design that embodies the City’s new Citywide Design Guidelines and offers a more urban form than the dominant suburban walk-up typology in the area.

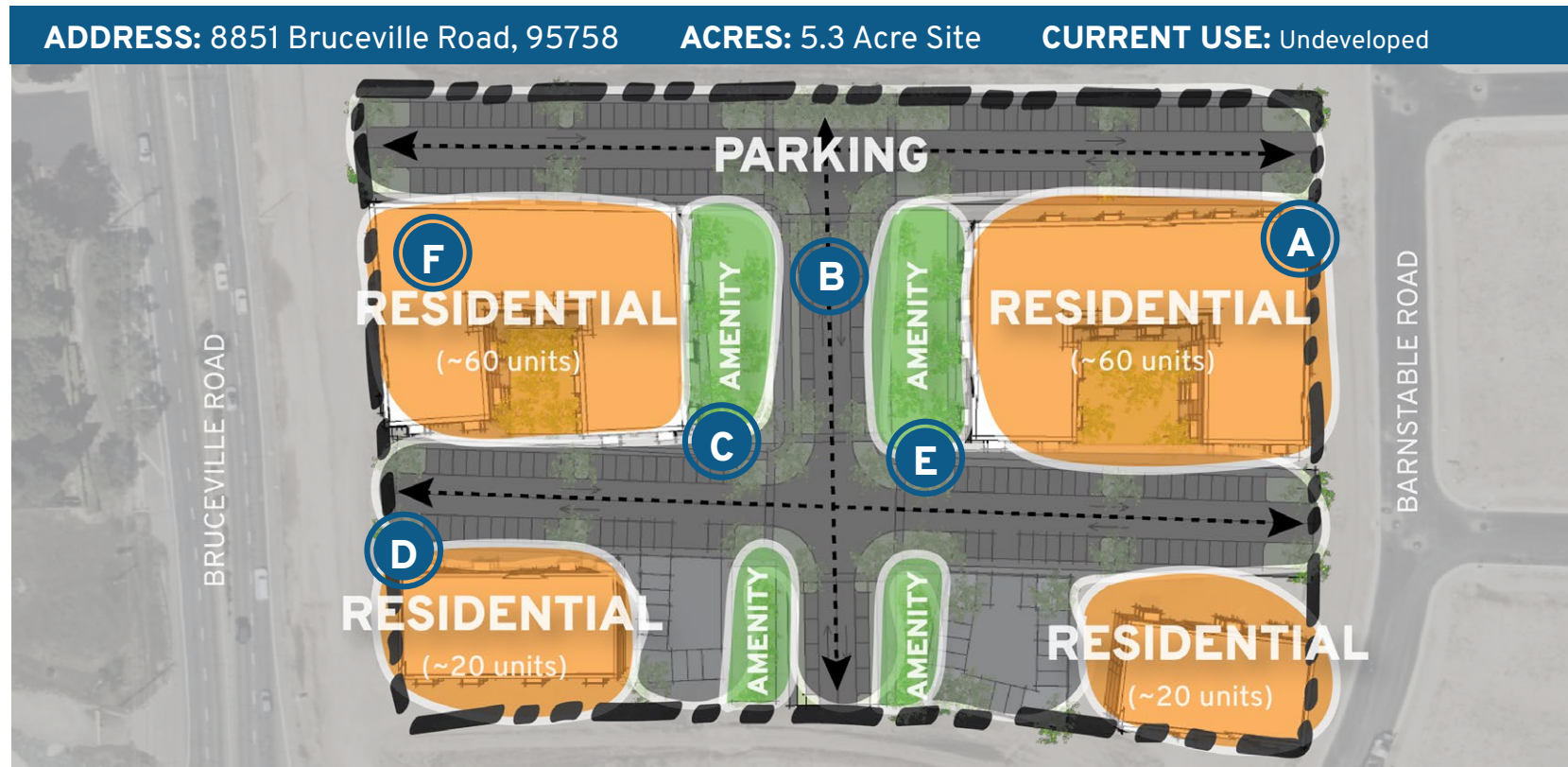
The City commissioned the exploratory model below to estimate the development potential of the site and illustrate the design principles supported in a final site plan. The model below is not intended to be prescriptive, only advisory. The City views the developer and architect as the experts—as such, the City wishes to understand the developer’s own design and programming solutions that build on the ideas shown here and enhance development feasibility, quality, competitiveness for funding, and unit density.

City Exploratory Model

Units (Density):	161 (28.4/acre)
Parking (Ratio):	220 (1.36/unit) Applied bonus in EGMC 23.50.030.D.1
Height (Feet):	3 stories (38’)
Residential SF:	154,000 sf
Community Space SF:	3,000 sf
Outdoor Amenity SF:	12,000 sf
Bedroom Breakdown	1BR: 20% 2BR: 50% 3BR: 30%

Table 5. Development Program Summary for the City’s Sheldon Farms North Site Exploratory Model

Figure 12. City's Exploratory Model for the Sheldon Farms North Site, Demonstrating Key Design Principles and Overall Potential



- 

A

Pleasant Street Frontage
- 

B

Safe Pedestrian Realm + Traffic Calming
- 

C

Quality Amenities & Open Space
- 

D

Buildings Front the Street
- 

E

Central Community Space
- 

F

Buildings with Urban Form and Massing

COMMUNITY INTEREST AND GUIDANCE

In August 2022, a City-hired consultant met with California developers to provide information about the soon-to-be available sites in Elk Grove and the upcoming RFP process, as well as to gauge the developers' level of interest in the sites. The interviews asked developers to offer insight on whether affordable housing development was feasible on each site, given any known constraints and the City's vision. The City-hired consultant also offered similar information to the Sacramento Housing Alliance's developer group in September 2022. Overall, the interviews proved that the sites were attractive, but identified that feasibility would ultimately be determined by the amount of local financial support made available.

Developers also expressed a desire for the RFP to be streamlined and released on an accelerated timeline.

In December 2022, the City and its consultant conducted a community engagement event to inform the key service providers and agencies in the region about the sites' availability and the forthcoming RFP process. This event gave attendees the opportunity to share their constituents' and organizations' interests, provide guidance to the City, and ask questions. The primary direction received was to emphasize the quality, scope, and space for resident services, and to build in a way that maximized site density and accommodation of future transit service.



Figure 13. Community Event in Old Town Plaza



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DEAL STRUCTURE & SELECTION PROCESS

DEAL STRUCTURE

The City's preferred deal structure is a standard purchase and sale accompanied by a City loan. Under this scenario, the City would sell the property to the development team at market value. At that time, the City would also issue a loan to the development team as gap financing. The City anticipates the land sale and the loan would close on the same date. The City is open to adjusting the process with the developer if another structure (such as a land dedication or land transaction below market price) proves more advantageous and does not raise the value of the City-provided financial support above the \$9 million and \$6 million limits listed below.

The City anticipates having a total of approximately \$9 million in loan funds and land value available to the two development projects. The total value of any single project's loan and any other financial support received from the City (e.g. land dedication) is not expected to exceed \$6 million of the estimated \$9 million in support available. In no event shall the project loans issued hereunder exceed the uncommitted fund balance in the City's Affordable Housing Fund at the time of commitment. City loans are based on the individual needs of the project, and in all cases are intended to be gap financing. The developer is expected to seek financing for its project from other state and local agencies, private investors, and banks. The City is flexible as to the eventual capital-stack composition supporting the sites' development, and is open the use of any funding sources that align with the City's vision for the two sites, maximize competitiveness for funding, and accelerate the timeline.



Figure 14. (Top) The Lyla Affordable Housing Development, Recently Awarded a Loan from the City (Under Construction)

Figure 15. (Bottom) Poppy Grove Affordable Housing Development in Elk Grove (Under Construction)

SELECTION CRITERIA & PROCESS

Proposal Evaluation

Proposals will be evaluated using the categories listed below. The City selected these categories with the intention of identifying teams that are well-qualified, will be willing and effective partners, and have clear and attractive ideas for the financing and development of each site. Note that City will only consider projects that meet the requirements of an exemption to the Surplus Lands Act described in Government Code section 54221(f)(1).

Development and Operating Experience (30 points)

The City will assess each responder's level of experience and history of success building and operating the development types below in California.

Sheldon Farms North Site

- Affordable large family housing (Most important)
- Transit oriented development (Preferred, but not strictly necessary)

Old Town Site

- Affordable senior housing (Most important)
- Mixed-use development with ground floor commercial (Desired, but not strictly necessary)

Approach to Partnership and Realization of Vision (40 points)

The City will assess how each responder would approach a working partnership with the City and help it realize its visions for each site. The visions are described in full detail in Section 3.

Financial Capacity, Experience Winning Funds & Moving Quickly (30 points)

The City will assess each response for its ability to win competitive funds and limit City subsidy. This includes both development partners' history of achieving such outcomes but also their plan for achieving the outcomes on the site(s) in question.

Affordable Housing and Sustainable Communities (AHSC) Funding (3 bonus points only for submissions for the Sheldon Farms North site)

The City has determined that the Sheldon Farms North site appears to meet the qualification criteria for AHSC funding. The City will award up to 3 bonus points for submissions for the Sheldon Farms North site that demonstrate experience winning and successfully developing affordable housing with those funds (Question 2.1 and 6.1) and describe a financial plan that includes use of such funds (Question 6.1). Through submissions, the City hopes to better understand the feasibility of qualifying for and winning such funds for the Sheldon Farms North site.

Post-Selection Process

In order to be considered, a response consistent with the terms of this RFP must be submitted by June 30, 2023 at 4PM Pacific Time. City staff will review the responses to this RFP for completeness and evaluate them against the stated criteria. After review, the City will notify the highest scoring respondents for each site whether they have been invited to an interview stage, held only if the City deems necessary. The City will promptly schedule and hold interviews. Interviews will be scored on the same criteria as the written submissions and will be worth equal weight to the written submissions. The City will recommend each site's highest scoring development team to the Affordable Housing Committee (AHC), which will make a final decision regarding which development team to partner with. Developers may respond to the RFP indicating their interest and qualifications for both sites, but each site will be awarded to a different development team.

The City anticipates selecting development partners for the sites in summer 2023, then proceeding with design, entitlement, and loan application stages in advance of the upcoming 2024 funding rounds. The City anticipates that the development process will occur in the following order:

1. This RFP process, resulting in a selected developer for each site.
2. The results of the RFP process will be memorialized in a Letter of Intent (LOI), Exclusive Negotiation Agreement (ENA), or other document as prepared by the City, which outlines the project concept, proposed financial terms, and other relevant terms

and conditions. The LOI/ENA would be for a defined term, anticipated to be 12 months with an option to extend at the mutual discretion of the City and Developer.

3. During the LOI/ENA period, the Developer shall prepare and submit a development application to the City's Development Services Department. Upon approval of the development application the City and Developer shall enter into a Development and Disposition Agreement, prepared by the City, which will specify the contractual terms under which title in the project property shall be transferred to the Developer and the terms of the City's financing loan.
4. During the LOI/ENA period, the Developer shall prepare and submit a loan application for the City's Affordable Housing Fund. The City and the AHC will review the application to determine financial feasibility, confirm the request for assistance is reasonable and necessary, and analyze other factors. The City, at its sole discretion, may accept the loan application. If a loan is ultimately approved by the City, it will be evidenced by a Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement, and any other documents deemed necessary by the City.
5. Upon approval of the development application (or earlier at the sole risk of the Developer), the Developer shall submit to the City and applicable utility agencies for the civil and building permit approvals for the project (together, the Construction Permits). The LOI/ENA period is complete upon the approval of the Construction Permits or the expiration of the term, whichever occurs first.

6. At least 30 days prior to the transfer of each property to the applicable Developer, City Council will consider a resolution declaring such property as “exempt surplus” pursuant to the Surplus Land Act. City is required to submit such resolution to HCD for review. City will only consider projects that meet the requirements of an exemption to the Surplus Lands Act described in Government Code section 54221(f)(1).
7. When the Construction Permits are ready for issuance by the City (but just prior to their issuance), the City will transfer title to the subject property to the Developer pursuant to the terms and conditions of the Development and Disposition Agreement. Additionally, the City loan shall concurrently close. Once the title to the property has been transferred, the developer may obtain the approved Construction Permits in their name through the City’s standard process.

In the event that loan and development applications are approved, City staff plans to present to the City Council resolutions regarding loan commitment and development of the affordable housing project. Such resolutions will give the developer an opportunity to apply for one or more rounds of Low Income Housing Tax Credits (LIHTC) for the site. Unless otherwise approved by the City, such resolutions shall terminate upon the earlier of 1) denial of award of LIHTC during three consecutive rounds, or 2) automatically as of December 31, 2026 and shall thereafter have no force or effect.



5

SUBMISSION REQUIREMENTS

SUBMISSION REQUIREMENTS

Approach to Requirements

The City's approach to the submission requirements is to solicit enough information to understand each team's qualifications and high-level ideas for project development and financing, without requiring so much information as to burden respondents at this early stage. In response to advice received from a number of parties, submissions will not require a conceptual design or anticipated capital stack and instead will focus on respondents' qualifications, high-level ideas, and approach to partnership. The City aims for this process to enable it to identify teams with which it can successfully collaborate on design and execution of the vision.

Content to Include

Submissions must contain the following information in the order listed:

1. Cover letter
2. Table of contents
3. Answers to questions
4. Surplus Land Act Statement
5. Conflict of interest statement
6. Insurance
7. Exceptions

Provide one submission per site. Follow the instructions below for each site if submitting for both sites.

Anticipated Schedule



The City may revise the schedule as needed.

How to Respond

Section 1: Cover letter

Indicate which site you are submitting for, then summarize your key ideas for developing and financing a project on that site and why your organization should be selected.

Section 2: Table of contents

The Table of Contents will list the sections and their page numbers. Digital submissions shall include bookmarks for each section.

Section 3: Answers to Questions

This request will not require a conceptual design or anticipated capital stack and instead will focus on respondents' qualifications and ideas. To ensure responses are adequately differentiated, the City has included a list of detailed questions about experience, partnership, design, and financial approach. The questions correspond directly with the evaluation criteria.

Please read those questions carefully and respond thoughtfully, demonstrating your unique value and strategy as a partner. Be clear and concise. Organize and clearly label all answers according to the question number in the list below (e.g. 1.1, 1.2, 2.1, etc.). Respondents may be asked to provide clarifying or additional information during the review period.

Section 4: Surplus Land Act Statement

The City will only consider projects that would qualify each site as "exempt surplus land" under the Surplus Land Act pursuant to

Government Code section 54221(f)(1). Please review the Surplus Land Act exemptions carefully and describe which exemption(s) will apply to your proposed project and the basis for such exemption(s).

If seeking an exemption under Government Code section 54221(f)(1)(A), the project must include:

- (i) At least 80% of the property's area is used for housing;
- (ii) At least 40% of units are affordable to households at or below 60% of AMI;
- (iii) At least half of the above affordable units are affordable to very low-income households; and
- (iv) Affordable units are subject to at least a 30-year regulatory agreement.

If seeking an exemption under Government Code section 54221(f)(1)(F)(i), the project must include:

- (i) At least 75% of the residential units restricted and affordable to lower-income households; and
- (ii) The remaining units restricted to moderate-income households.

If seeking an exemption under Government Code section 54221(f)(1)(F)(ii), the project must include:

- (i) At least 25% of the residential units in a mixed-use development restricted and affordable to lower-income households; and
- (ii) At least 300 residential units and a site that is more than one acre in area.

Section 5: Conflict of Interest Statement

Submit a statement regarding any activities or relationships of the proposer that might create a conflict of interest for the proposer or the City, and, if such activities or relationships exist, a description of the facts, legal implications, and possible effects sufficient to permit the City to appreciate the significance of the conflict and to grant any conflict waiver, if appropriate and necessary.

Section 6: Insurance

Submit evidence of ability to insure as stated in Appendix B and summarized below. Be sure to review the full guidance in Appendix B.

TYPE	SINGLE LIMIT / OCCURRENCE	AGGREGATE	ENDORSEMENTS*
General Liability	\$2,000,000	\$2,000,000	Additional Insured Waiver of Subrogation Primary Non Contrib.
Auto Liability	\$1,000,000 Hired and Non-owned		Additional Insured
Work Comp Employer’s Liability	Statutory \$1,000,000 each		Waiver of Subrogation
Builder’s Risk	Total value of loan	During construction until occupancy	Loss Payee Waiver of Subrogation
Hazard Insurance	Replacement value of affordable housing	At occupancy until loan maturity date	Loss Payee
Umbrella Coverage	\$5,000,000	\$5,000,000	Additional Insured Waiver of Subrogation Primary Non Contrib.

*Must be actual endorsements. Typed statements on Certificates of Liability are unacceptable.

Section 7: Exceptions

Note any exceptions to the RFP requirements in their entirety. The City may reject any requests for modifications to the RFP requirements that were not noted in response to this RFP.

Instructions If Submitting for Both Sites

If you wish to be considered for both sites, please provide two submissions—one per site.

If your answer to a question does not differ between sites and submissions, simply duplicate the text so the same answer appears in both submissions. Indicate at the top of such a duplicate section or passage that it is a “DUPLICATE”. For questions in the following subcategories, we anticipate the same answer may be given in both submissions covering information relevant to both sites.

- Team Structure and History
- Partnership

We also anticipate duplicate information between submissions for the Conflict of Interest Statement, Insurance, and Exceptions sections. If so, please also mark the top of duplicate sections or passages with “DUPLICATE”.

For questions within the following subcategories (marked below with ♦), we anticipate the need to provide site specific answers:

- Relevant Development Experience
- Operating Experience
- Designing the Vision
- Financial Plan

These are the answers that will differ between your two submissions. They should not be marked “DUPLICATE”.

Questions to Answer (for Section 3)

Development and Operating Experience (30 points)

1. Team Structure and History

- 1.1. Identify key staff, including brief resumes that include length of time with the organization, the lengths of time providing affordable housing and related services at other employers, and contact information (location, phone, e-mail address). The proposal should indicate each team member's responsibility for project tasks and identify the team lead who will be the primary liaison.
- 1.2. Introduce your organization, describing its history of developing affordable housing. Indicate how many projects and units has your organization placed into service which were California LIHTC projects.

2. Relevant Development Experience ♦

- 2.1. Using examples, describe your organization's experience developing projects highly comparable in scope and scale to the specific site vision within the last five years in California. Indicate how many such comparable projects and units your organization placed into service over that time period. For any examples given, include the name of any jurisdictional partner along with a contact person, phone number, and the approximate amount of funding received by funding source. ♦
- 2.2. What about your organization's experience, strengths, or approach uniquely positions your team to maximize the likelihood of achieving the City's site vision at lower cost and faster speed than other organizations? ♦

3. Operating Experience ♦

- 3.1. What constitutes success when operating affordable housing comparable in scope and scale to the applicable site? Describe your organization's experience successfully operating or partnering to operate such housing, highlighting relevant examples. ♦
- 3.2. What resident services do you believe would be necessary to both meet state requirements and more importantly meaningfully serve the site's envisioned target population? Why? Describe your organization's approach to providing and/or partnering to provide high-quality resident services, highlighting relevant examples. ♦

Approach to Partnership and Realization of Vision (40 points)

4. Partnership

- 4.1. How does your organization approach partnership with a public agency? Describe key tenets of your approach that guide your communication, problem solving, and trade-off navigation. Offer examples of your approach in action and how it led to success for comparable developments.
 - o Developer: Provide three relevant public agency references, including email and phone. If submitting for both sites, ensure at least one reference is relevant to each site's envisioned housing type.

5. Designing the Vision ♦

- 5.1. Describe the most appealing aspects of the site in question and your team's intuitions about how to design the development to capitalize on those aspects in service of the City's vision. Use images, diagrams, and illustrations to help tell the story. It is sufficient to use images from past work to convey the design ideas and narrative—a conceptual site plan is not required. ♦
- 5.2. What trade-offs does the City's vision present, and how would you navigate those with the City? Be specific and break down the vision into parts, unpacking the tradeoffs involved with each part and how your team would navigate them. ♦
- 5.3. What architect will you team with to complete this work and how does this architect suit the City's vision? Offer examples of projects the architect has completed that demonstrate their fit as well as examples of projects your organization completed with the architect, highlighting ways those projects are applicable to this work. ♦
 - o Architect: Provide two references, both email and phone, for comparable developments that involved significant collaboration with the public agency to finalize the design. If submitting for both sites, ensure at least one reference is relevant to each site's envisioned housing type. ♦

Financial Capacity, Experience Winning Funds & Moving Quickly (30 points)

6. Financial Plan ♦

- 6.1. What should be the Plan A and Plan B for this project's funding sources and why? Offer your informed intuition on the approach that will be competitive and effective for achieving the vision—a capital stack, operating proforma, and formal assessment of competitiveness (i.e. scoring & tiebreaker) for funding are not required. Describe your organization's experience securing the funding sources mentioned and highlight your organization's record of high performance in funding rounds relative to competitors. ♦
- 6.2. How large a City loan do you estimate you will need to successfully compete for the competitive funding sources identified in your financing Plan A and Plan B? Offer your informed intuition and explain how you arrived at that estimate—you may provide a range if it enables faster estimation. Then, describe what your team would do to economize on local funds for this project, illustrating your perspective with examples from prior work as needed. ♦

Minimum Requirements You Certify You Will Meet

The City aims for these sites' affordable housing developments and partners to, at a minimum, achieve the following requirements. By responding to this RFP, respondents certify their ability and intent to achieve these requirements.

Overall Experience

The responding organization's affordable-housing development and management experience is sufficient to earn full points on sections related to experience within competitive funding applications, such as TCAC/CDLAC applications' "General Partner & Management Company Characteristics" section or the Super NOFA's "Project Sponsor/Applicant and Property Management Experience" section. If not, please include an addendum to your submission describing in detail your plan to partner or leverage specific set-asides or other methods to remain competitive for funding.

Development Program

Old Town Site

The program will consist of the following, unless the respondent demonstrates financial or other infeasibility of such a program:

- Affordable senior housing
- Deep affordability (30-50% AMI)
- Exceeds the minimum housing units in Elk Grove's 2021 Housing Element Analysis (39 housing units) and targets a minimum density of at least 25 units per acre

Sheldon Farms North Site

The program will consist of the following, unless the respondent demonstrates financial or other infeasibility of such a program:

- Affordable large family housing
- Exceeds the minimum housing units in Elk Grove's 2021 Housing Element Analysis (133 housing units) and targets a minimum density of at least 25 units per acre

Urban Form and Building Design Criteria

Old Town Site

- Use building detail to respect, reference, and complement the historic architectural styles present in Old Town
- Maximize the number of homes on site, including through the possible use of four-story buildings. Support the City in making the case to the public for taller buildings through visuals and renderings.

Sheldon Farms North Site

- Orient the buildings toward Bruceville and Barnstable Roads, and secondarily to Mashpee Way
- Maximize the number of homes on site, including through the possible use of four-story buildings
- Embody the new Citywide design guidelines
- Enhance density and transit orientation through design and reduced but still feasible levels of parking

Both sites

- More urban form and feel than the suburban “walk-up” or “garden-style” apartment typology dominant in the City
- Offer a visually appealing façade that creates an inviting street-level experience
- No exterior staircases or obvious unconditioned hallways/ common spaces
- Deploy multiple floorplans and configurations for each unit type (e.g. Studio, 1BR, 2BR)
- Offer useable, meaningful open space and amenities

Other Requirements

Proposals shall be formatted with easy-to-read font size and style, pages shall be numbered, and individual sections shall be divided for easy identification. All submissions shall be digital rather than delivered on physical paper. Submissions shall include bookmarks for each section. Submissions shall include complete responses to the questions and other requests in this RFP in the order presented. Submissions should offer a straightforward delineation of the respondent’s capability to satisfy the intent and requirements of this RFP, and should limit redundancies and avoid conflicting statements.

Proposals shall be addressed to the City Clerk Jason Lindgren at jlindgren@elkgrovecity.org, with a copy to Sarah Bontrager at sbontrager@elkgrovecity.org.

Submittals in PDF format must be fully ADA compliant (e.g. PDF must be able to be processed by a screen reader and legible to readers with color blindness). Large files may be sent using a cloud-based system such as Dropbox. Proposers shall be responsible for ensuring that proposals submitted electronically are received by the City Clerk prior to the deadline. The City is not required to consider submittals received after the deadline, even if the late submission is due to a technical or other error, including, without limitation, the City’s inability to open or access the electronic file. If the proposer does not receive a confirmation from the City Clerk that the proposal has been received, the proposer should assume the transmission failed and either resubmit or arrange for another method of delivery. Proposers are also encouraged to contact the City Clerk to confirm receipt of their proposal prior to the deadline. Proposals shall not be accepted by fax.



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GENERAL CONDITIONS

GENERAL POLICIES

Late Proposals

Proposals arriving after the specified date and time will not be considered, nor will late proposals be opened. Each respondent assumes responsibility for timely submission of its proposal.

Withdrawal or Modifications of Proposals

Any proposal may be withdrawn or modified by a written request signed by the respondents and received by the City Clerk prior to the final time and date for the receipt of proposals. Once the deadline is past, respondents are obligated to fulfill the terms of their proposal.

Proposal Acceptance and Rejection

The City reserves the right to accept any proposal, to reject any and all proposals, and to call for new proposals, or dispense with the proposal process in accordance with the Elk Grove Municipal Code.

Proposal Evaluation and Award

Evaluation will be made on the basis of the weighted scoring as noted in Evaluation and Selection Criteria section. Proposals shall be evaluated by staff. One or more developers will be selected to move forward to the loan application stage based on the strength of their proposal, interview, and a final decision by the Affordable Housing Committee.

No commitment of funds shall be made until such time that a complete loan application has been submitted and underwritten. The Council shall approve or deny any loan commitment after considering the recommendation of the AHC.

Nothing herein shall obligate the City to award a contract or loan to any responding developer.

Register with the California Secretary of State:

Unless respondent is a sole proprietorship, respondent must be registered and in good standing with the California Secretary of State within 14 days following notification of the City's intent to execute final loan documents. Failure to timely register with the Secretary of State may result in the City awarding the contract to another proposer. Additional information regarding the registration process may be found on the Secretary of State's website at: <https://businesssearch.sos.ca.gov/>.

Disclosure of Submitted Materials

After selection and execution of the contract(s), (or prior thereto if required by law) all information and materials provided in each submittal received is subject to disclosure through a public records request pursuant to the California Public Records Act, or otherwise as may be required by law. The City, in its sole discretion, may release any submitted materials, regardless of whether such materials are marked by respondents as confidential or otherwise as protected.

Waiver of Irregularities

The City retains the right, in its sole discretion, to waive any irregularities in proposals that do not comply with the strict requirements of this RFP, and the City reserves the right to award a contract to a developer submitting any such non-compliant proposal, all in the City's sole discretion.

Use of Other Governmental Contracts

The City reserves the right to reject any part or all of any proposals received and utilize other available governmental contracts.

Qualification/Inspection

Proposals shall only be considered from developers normally engaged in providing the types of products and services specified herein. By responding to this RFP, the developer consents to the City's right to inspect the developer's facilities, products, personnel, and organization at any time, or to take any other action necessary to determine developer's ability to perform. The City reserves the right to reject proposals where evidence or evaluation is determined to indicate inability to perform. The City reserves the right to interview any or all responding developers and/or to award a contract or loan without conducting interviews.

Federal Requirements

Should any portion of this procurement require the use of Federal funds, all Federal requirements shall apply and all developers must consent to each certification and assurance, which will be incorporated into the contract or loan documents.

Performance

It is the intention of the City to acquire products or services as specified herein from a developer that will give prompt and convenient service.

Term of Agreement

The term of the contract or loan commitment, if awarded, will be for a specific period of time. The City anticipates the loan commitment to be for a term of not more than 24 months, with any extensions at the sole option of the City; the City reserves the right to set the term for a period deemed to be in the best interest of the City.

Service and Support

All developers shall explain how all on-going service and support will be handled by the developer.

Records

The developer shall maintain complete and accurate records with respect to labor costs, material expenses, and other such information required by City that relates to the performance of services under any contract or loan agreement. The developer shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible and in a form acceptable to the City, which the City may specify and change from time to time. The developer shall provide free access to the representatives of City or its designees, at reasonable times,

to such books and records, shall give City the right to examine and audit said books and records, shall permit City to make transcripts therefrom as necessary, and shall allow inspection of all work, data, documents, proceedings, and activities related to this contract or loan agreement. Such records, together with supporting documents, shall be maintained for City's inspection for a period of at least three (3) years after receipt of final payment.

Insurance Requirements

Appendix B includes the applicable insurance requirements for this project. The proposed developer must review these requirements closely as changes requested after the proposal submission deadline may not be allowed.

Agency Discretion, Non-Liability Waivers, and Hold Harmless

The information in this RFP is intended to provide general information regarding the City affordable housing programs. This information is not intended or warranted to be a complete statement of all of the information the respondents might be required to ultimately provide.

This RFP does not commit the City to pay any costs incurred in the preparation of a response. The City reserves the right to accept or reject any proposal in part or in its entirety. The City reserves the right to choose any number of qualified proposals. In addition, the City reserves the right to issue written notice to all participants of any changes in the proposal submission schedule or other schedules, should the City determine, at its sole discretion, that such changes are necessary.

Loan Terms

In the event that a Resolution of Conditional Loan Commitment is approved by the City Council, it will be conditioned on, among other things, the agreement of the City and the developer (also called "Borrower") on the form of the loan documents (including, but not limited to, a Loan Agreement, Regulatory Agreement, Promissory Note, Deed of Trust, and Notice of Affordability Restrictions).

Loan terms will be negotiated for each individual project, but will generally include the following:

- Description of property, including regulated units and project amenities;
- Restrictions requiring the property to be used as affordable housing for a term of at least 55 years;
- Interest rate of 4%;
- Conditions regarding the disbursement of funds, which will be tied to phases of completion;
- Cost savings sharing provision;
- Financial record-keeping and reporting requirements;
- Insurance requirements;
- Environmental compliance policies;
- Events of default and remedies;
- Repayment plan and policies;
- Management policies and requirements;
- Payment and performance bonding requirements;

Request for Proposals

- Downward adjustor in the case that any of the proposed affordable units are not provided, or if more funding than anticipated is received from other sources;
- Timeframe for construction start and completion;
- Quality of work provisions;
- Limitations on property encumbrances and transfers;
- Requirements related to accessibility and non-discrimination;
- Provisions requiring the following:
 - Property must have an on-site social service component;
 - Compliance with federal and state prevailing wage provisions and licensing requirements, as applicable;
 - Competitive bidding of contracts and subcontracts;
 - Payment and performance bonding, in compliance with the templates in Exhibit C;
 - City approval of any changes to the Financing Plan, including all construction change orders over \$25,000 and soft costs change orders over \$10,000;
 - Developer fee limited to 10% of total project cost;
 - Property must be rebuilt in the event of damage, and that any insurance proceeds must be used for that purpose; and
 - City approval is required for any changes to the senior loan.

Any disagreement with, or specific requirements for, these general terms must be discussed in the proposal.

Sample documents from the City's recent transactions are available on request; however, the City shall have the right to design loan documents for this transaction in the manner deemed in the best interest of the City.

Final Authority

The final approval authority rests solely with the City Council of the City of Elk Grove.



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APPENDICES

APPENDIX A. DETAILED SITE INFORMATION

Old Town Site

Current Conditions

- **Location:** The site is located in Elk Grove's historic Old Town neighborhood at 9220-44 Elk Grove Blvd, Elk Grove, CA 95624 (APNs: 134-0072-016-0000, 134-0072-015-0000, 134-0072-014-0000, 134-0072-013-0000). Elk Grove Blvd runs along the site's northern edge. Webb Street runs along the site's western edge. The site is less than a quarter mile walk from a pharmacy, credit union, a grocery store, nearly a dozen restaurants, and the future Elk Grove public library. It is less than a half mile walk from Old Town Plaza and the surrounding shop and restaurant cluster.
- **Condition:** The site is vacant grassland and clear of structures. It is generally flat, but not graded. Utilities serve the area but have not been stubbed in on site. There are several clusters of trees on the site, particularly on the southern and eastern edges.

Constraints

- **Easements:** Two easements affect the site. The first is a 12.5' public utility easement on the northern and western edges of the site. This easement may shrink depending on a forthcoming Elk Grove Blvd streetscape improvement design. The second is a 30' drainage easement held by Sacramento County along the southern edge of the site. The City's engineering department has assessed that the drainage can be piped, enabling the area affected by the easement to be paved and used for parking or circulation.

- **Trees:** The site contains several stands of oak trees protected by Elk Grove's tree code. If development necessitates removal of such trees, the developer will need to gather evidence to support a City finding in favor of removing and mitigating for these trees, then obtain a tree removal permit to remove any trees of local importance.

Environmental

The site received a clean Phase I environmental report. The report was prepared by Wallace-Kuhl & Associates (WKA) in 2019. It found the site has been vacant grassland since at least 1894. The site has no environmental liens and neighboring facilities have been deemed unlikely to have caused any negative impacts. The Phase I environmental report is included in the resources on the RFP website.

Title and ALTA Survey

Title reports and an ALTA Survey are available for the site in the background resources on the RFP website. The property is subject to the encumbrances of the nature listed below:

- Drainage and public utilities easements around the site perimeter
- Rights of public land for right of way and roadways
- Taxes, assessments, Mello Roos, and utilities, and an agreement with the County regarding mitigation monitoring for mixed use development in Old Town

General Plan/Zoning

This site has a General Plan designation of High Density Residential. The site is currently zoned RD-25. Note that prior to summer 2021, this site was zoned within the Old Town Special Planning Area (OTSPA), which is an area master plan with a special purpose zoning district that applies to all properties along Elk Grove Boulevard from Elk Grove Florin Road to Waterman Road. The site was removed from the OTSPA as part of the adoption of the 2021 Housing Element in order to achieve compliance with State law. Additional consistency amendments to the OTSPA are required for this site. The City intends to complete these updates, as well as a comprehensive update to the OTSPA; however, the timeline has not been finalized. It is possible that a rezoning may occur prior to entitlement approval, or it may occur after. The City will work with the selected developer on any timing concerns. Regardless, the City requires that the project design be reflective of the surrounding built conditions and historical context of the Old Town area.

The development standards for the RD-25 zone are summarized in Table 6. The City expects the project to incorporate applicable Citywide design guidelines as well as considerations from the current (or future) Old Town SPA as part of its design review approvals. Due to the rapidly evolving State-level legal landscape, Table 6 does not factor in developer incentives available pursuant to State law, such as density bonuses, incentives, concessions, and waivers.

Table 6. (Right) Development Standards for Old Town Site

Development Standards	RD-25 Zone
Uses	Residential
Maximum Density	30 units/acre
Maximum Height	40' (60' subject to Planning Commission approval)
FAR	No limit
Minimum Front Setback	15'
Minimum Side Setback	15'
Minimum Rear Setback	20'
Minimum Lot Area	None
Open Space Requirements	15% landscape coverage 60 sf open space/unit
Design Guidelines	Citywide Guidelines
Parking Minimums	<i>Dwelling, Multiple Residential Unit</i> Senior = .75 Studio = 1.17 1BR = 1.17 2BR = 1.92

Infrastructure

- Elk Grove Blvd Streetscape Improvement Project: The City is conducting a streetscape improvement project to update Elk Grove Blvd's street design, add sidewalks, street trees, and stormwater infrastructure. Design documents related to the project are included in the background resources on the RFP website and estimated effects to the site are shown in Figure 7.
- Utilities: No known changes affecting the site and no known capacity constraints that could affect service. Developers should independently follow up with utilities contacts to identify next steps and the most up to date information.
 - » Electricity: Existing overhead electricity service—currently on the north side of Elk Grove Blvd and not intersecting with the site—will be buried at the time of the streetscape improvement project. A representative of Sacramento Municipal Utility District (SMUD) indicated there were no upstream capacity constraints anticipated that might affect service to the site, but SMUD requests the selected developer contact SMUD early in the design process to clarify the eventual electrical needs on site for grid planning.
 - » Contact: Aaron Sussman, aaron.sussman@smud.org
 - » Water: Water service is provided by the Elk Grove Water District. A representative of the water district indicated that there were no upstream capacity constraints anticipated that might affect service to the site.
 - » Contact: Ben Voelz, 916-585-9392
- » Sewer: Service is provided by Sacramento Area Sewer District. A representative of the sewer district indicated that there were no upstream capacity constraints anticipated that might affect service to the site. However, the district requests the selected developer contact the district early in the design process so that more refined capacity modeling can be conducted.
- » Contact: Yadira Lewis, lewisy@sacsewer.com

Sheldon Farms North Site

Current Conditions

- **Location:** The site is located at 8851 Bruceville Road, Elk Grove, CA 95758 (APN: 116-0012-070-0000), situated on Elk Grove's border with Sacramento, positioning the site as a gateway to the city. Bruceville Road runs along the site's western edge, while two new streets (Mashpee and Barnstable) run on the site's southern and eastern edges. New sidewalks are being installed parallel to the three streets. The site is less than a half mile walk from a pharmacy and grocery store. It is less than a mile walk from a variety of other shopping, eating, and health services.
- **Condition:** The site is vacant and free of structures and will be delivered rough graded with utilities stubbed in behind the curb around the perimeter.

Constraints

- **Easements:** Several easements affect the site and are documented in the title report, ALTA survey, and other plat information provided. They include a pedestrian easement, public utilities easement, landscape easement, slope and drainage easement, and a new private storm drain easement and corresponding access easement. The landscape easement disappeared when the City took title of the parcel—it is no longer in effect or relevant. The slope and drainage easement originally belonged to the County but now belongs to the City, which plans to abandon it when the site's drainage is installed. The pedestrian easement, public utilities easement, and private storm drain and access easements will remain in place.

- **IODs:** Two Irrevocable Offers of Dedication (IODs) are present on the title report. One runs along the southern portion of the site, dedicating 42' to the City for the land needed for Mashpee Way. The second is a 40' IOD that overlaps with the pedestrian and public utilities easements on the western edge of the site. This IOD is for the potential expansion of the Blue Line light rail south from its current terminus at Cosumnes River College into Elk Grove along Bruceville Road. Should the blue line expansion be funded in the future, this land is set aside for either the tracks itself or displaced roadway if the tracks run in the Bruceville's median.

Environmental

- **Site assessment:** The site received a clean Phase I and limited Phase II environmental report. The report was compiled by Geocon Consultants, Inc. for Anthem United Homes Inc in October 2017. The report is a Phase I and limited Phase II covering the entire portion of Sheldon Farms north of Laguna Creek, south of Sheldon, and between Bruceville Road and Lewis Stein Road. The Phase I revealed no evidence of recognized environmental conditions on the site or adjoining properties. The Phase II showed that historical agricultural use had not left organochlorine pesticides nor elevated arsenic levels in the soil. Additional assessment is not warranted. The Phase I and limited Phase II environmental report is included in the background resources on the RFP website.
- **California Environmental Quality Act (CEQA):** Pursuant to CEQA, the site was included in an Initial Study and Mitigated Negative Declaration for the area between Laguna Creek, Sheldon Road,

Lewis Stein Road, and Bruceville Road. A resolution adopted by the City’s planning commission and city council in 2020 declared that no further environmental review is required under CEQA for the development projects described in the MND, which includes multifamily on the Sheldon Farms North site. Depending on the proposed development, additional environmental review could be required. The site will be subject to mitigation actions, reporting, and monitoring stemming from the Mitigated Negative Declaration. Information regarding the resolution and mitigation actions can be found in the background resources on the RFP website.

Title and Survey

Title reports and an ALTA Survey are available for the site in the background resources on the RFP website. The property is subject to the encumbrances of the nature listed below:

- Pedestrian, public utilities, and private storm drain and access easements around the site perimeter
- Rights of the public to land within any road, street, alley, or highway
- Taxes, assessments, Mello Roos, and utilities
- Irrevocable offers of dedication (IODs) for Mashpee Way and future light rail transit.

General Plan and Zoning

The site is in the High Density Residential RD-30 zone and has a General Plan designation of high density residential. The City’s current standards are summarized in Table 7. Due to the rapidly evolving State-level legal landscape, Table 7 does not factor in developer incentives available pursuant to State law, such as density bonuses, incentives, concessions, and waivers.

Development Standards	RD-30 Zone
Uses	Residential
Maximum Density	30 units/acre
Maximum Height	40’ (60’ subject to Planning Commission approval)
FAR	No limit
Minimum Front Setback	15’
Minimum Side Setback	15’
Minimum Rear Setback	20’
Minimum Lot Area	None
Open Space Requirements	20% landscape coverage 80 sf open space/unit
Design Guidelines	Citywide Guidelines
Parking Minimums	<i>Dwelling, Multiple Residential Unit</i> Studio = 1.17 1BR = 1.17 2BR = 1.92 3BR = 2.17

Table 7. Development Standards for Sheldon Farms North Site

Infrastructure

- » Streetscape: Mashpee Way and Barnstable Road are both under construction and will be delivered with sidewalks completed. Bruceville Road is undergoing planning and engineering for future widening. The Laguna Creek Trail and Bruceville Road Sidewalk Improvements Project is underway, adding sidewalks on the western edge of the site and connecting existing walking and biking trails in the area.
- » Light Rail: Sacramento Regional Transit (RT) has indicated that the Blue Line light rail preferred alignment for future extension is south along Bruceville past the site. The preferred station location serving the site would be roughly a quarter mile walk south from the site and would offer the site access to high-quality, frequent transit to Downtown Sacramento. Michael Baker International conducted the most recent alignment study on behalf of the City, showing its potential paths and station locations. That document is available in the background resources on the RFP website.
- » Utilities: No known changes affecting the site and no known capacity constraints that could affect service. Selected developers should independently follow up with utilities contacts to identify next steps and the most up to date information.
 - » Electricity: There is no overhead wire intersecting the site. A representative of Sacramento Municipal Utility District (SMUD) indicated there were no upstream capacity constraints anticipated that might affect service to the site,

but SMUD requests the selected developer contact SMUD early in the design process to clarify the eventual electrical needs on site for grid planning.

- » Contact: Aaron Sussman, aaron.sussman@smud.org
- » Water: Water service is provided by the Sacramento County Water Agency. A representative of the water district indicated that there were no upstream capacity constraints anticipated that might affect service to the site. The representative stated that the selected developer should consult the County's improvement standards, particularly Section 8: Water Supply, when designing the site.
- » Contact: John Kern, kernj@saccounty.gov
- » Sewer: Sewer service is provided by Sacramento Area Sewer District. A representative of the sewer district indicated that there is constrained upstream capacity affecting this site. However, the development activity anticipated nearby in coming years does not appear so intensive that the development of Sheldon Farms North will trigger an off-site capacity improvement project. In other words, despite constrained capacity, it currently appears that Sheldon Farms North's development will not entail off-site sewer improvement costs. The district recommends that the selected developer contact the district early in the design process so that more refined capacity modeling can be conducted.
- » Contact: Yadira Lewis, lewis@lacsewer.com

APPENDIX B. INSURANCE REQUIREMENTS

A. Prior to commencement of any work on the Project and continuing until issuance of a Certificate of Occupancy, Borrower and all contractors working on behalf of Borrower shall provide to the City proof of, and maintain in full force and effect at all times until the issuance of a Certificate of Occupancy, at its sole cost and expense, policies of insurance as set forth herein. Borrower and all contractors shall comply with all reporting and other provisions of the policies of insurance as set forth herein including, but not limited to, timely reporting of claims and suits. Further, should Borrower maintain any programs of self-insurance, Borrower shall comply with the applicable fulfillment of any self-insured retentions.

1. General Liability:

Comprehensive general liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, personal and advertising injury liability, and product and completed operations liability.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence).

Claims-made coverage is not acceptable.

The limits of liability shall not be less than:

Each occurrence: Two Million Dollars (\$2,000,000)

Products & Completed Operations: Two Million Dollars (\$2,000,000)

Personal & Advertising Injury: Two Million Dollars (\$2,000,000)

2. Umbrella Liability Policy

The policy must follow form of the underlying liability policies.

The limit of liability shall not be less than \$5,000,000 per occurrence.

3. Automobile Liability:

Automobile liability insurance providing protection against claims of bodily injury and property damage arising out of operation, maintenance, or use of hired and non-owned automobiles

Coverage shall be at least as broad as Insurance Services Office Automobile Liability coverage form CA 0001, symbols 8 and 9 (hired and non-owned). Borrower's coverage providing symbol 1 (Any Auto) shall be satisfactory.

The limits of liability per accident shall not be less than:

Combined Single Limit One Million Dollars (\$1,000,000)

4. Worker's Compensation

Worker's Compensation Insurance, with coverage as required by the State of California (unless the Borrower is a qualified self-insurer with the State of California), and Employers Liability coverage. The Borrower shall execute a certificate in compliance with Labor Code Section 1861, on the form provided in Exhibit E.

Employer's Liability Coverage shall not be less than the statutory requirements.

If an injury occurs to any employee of the Borrower for which the employee or his dependents, in the event of his death, may be entitled to compensation from the City under the provisions of the Acts, for which compensation is claimed from the City, there will be retained out of the sums due the Borrower under this Agreement, an amount sufficient to cover such compensation as fixed by the Acts, until such compensation is paid or it is determined that no compensation is due. If the City is required to pay such compensation, the amount so paid will be deducted and retained from such sums due, or to become due to the Borrower.

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by the Borrower.

5. Builder's Risk

Builder's Risk "Special Form" Completed Value upon the entire project which is the subject of this Agreement, including completed work and work in progress.

The policy or policies of insurance shall name the Borrower and the City, its officials, officers, employees, agents, and volunteers as insureds as loss payees as their respective interests may appear.

The Policy shall include an insurer's waiver of subrogation rights in favor of the Borrower and the City, its officials, officers, employees, agents, and volunteers.

Such insurance may have a deductible clause, but the amount of the deductible shall be subject to the approval of the City.

In no event shall the Builder's Risk Coverage be less than the total value of the Agreement.

Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Property that would invalidate any part of any insurance coverage that this Instrument requires Borrower to maintain.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to City.

The policy's deductible shall not exceed Fifty Thousand Dollars (\$50,000).

B. Upon issuance of a Certificate of Occupancy and continuing until the maturity date of the Loan, Borrower shall provide to the City proof of, and maintain in full force and effect at all times until the maturity date of the Loan, at its sole cost and expense, policies of insurance as set forth herein:

1. General Liability:

Comprehensive general liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, personal and advertising injury liability and product and completed operations liability.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence).

Claims-made coverage is not acceptable.

The limits of liability shall not be less than:

Each occurrence:	Two Million Dollars (\$2,000,000)
Products & Completed Operations:	Two Million Dollars (\$2,000,000)
Personal & Advertising Injury:	Two Million Dollars (\$2,000,000)

2. Umbrella Liability Policy

The policy must follow form of the underlying general liability policies.

The limit of liability shall not be less than \$5,000,000 per occurrence.

3. Automobile Liability

Automobile liability insurance providing protection against claims of bodily injury and property damage arising out of ownership, operation, maintenance, or use of hired and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Automobile Liability coverage form CA 0001, symbols 8 and 9 (hired and non-owned autos). Borrower’s coverage providing symbol 1 (Any Auto) shall be satisfactory.

The limits of liability per accident shall not be less than:

Combined Single Limit	One Million Dollars (\$1,000,000)
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4. Worker’s Compensation

Worker’s Compensation Insurance, with coverage as required by the State of California (unless the Borrower is a qualified self-insurer with the State of California), and Employers Liability coverage. The Borrower shall execute a certificate in compliance with Labor Code Section 1861, on the form provided in Exhibit A.

Employer’s Liability Coverage shall not be less than One Million Dollars (\$1,000,000).

If an injury occurs to any employee of the Borrower for which the employee or the employee’s dependents, in the event of the employee’s death, may be entitled to compensation from the City under the provisions of the Acts, for which compensation is claimed from the City, there will be retained out of the sums due the Borrower under this Agreement, an

amount sufficient to cover such compensation as fixed by the Acts, until such compensation is paid or it is determined that no compensation is due. If the City is required to pay such compensation, the amount so paid will be deducted and retained from such sums due, or to become due to the Borrower.

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by the Borrower.

5. Hazard/Property Insurance

Property/Hazard insurance on the Project, including improvements and personal property now existing or hereafter located on the Project, insured against all risks of loss including but not limited to fire, windstorm, vandalism, malicious mischief and allied perils, general boiler and machinery coverage, and business interruption including loss of rental value insurance for the Project with extra expense insurance.

If City so requires, such insurance shall also include sinkhole insurance, mine subsidence insurance, earthquake insurance, and, if the Project does not conform to applicable zoning or land use laws, building ordinance or law coverage. In the event any updated reports or other documentation are reasonably required by City in order to determine whether such additional insurance is necessary or prudent, Borrower shall pay for all such documentation at its sole cost and expense.

If any of the Project is located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area having special flood hazards, Borrower shall insure such improvements against loss by flood.

Borrower acknowledges and agrees that City's insurance requirements may change from time to time throughout the term of the Indebtedness.

The policy shall be written on a full replacement value basis and shall name City as loss payee as its interest may appear. The full replacement value of the Project to be insured shall be determined by the company issuing the policy at the time the policy is initially obtained. Not more frequently than once every two (2) years, either the operator or the City shall have the right to notify the other party that it elects to have the replacement value re-determined by the insurance company.

Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Project that would invalidate any part of any insurance coverage that this Instrument requires Borrower to maintain.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to City.

The policy's deductible shall not exceed Fifty Thousand Dollars (\$50,000).

C. Prior to commencement of any work on the Project and continuing until the maturity date of the Loan, Borrower and all contractors working on behalf of Borrower shall abide by the following:

1. All general and auto liability policies required by this Agreement shall contain the following provisions and endorsements:

The City, its officers, officials, employees, agents and volunteers shall be covered and specifically named as additional insured as respects liability arising out of activities performed by or on behalf of the Borrower, products and completed operations of the Borrower, premises owned, occupied, or used by the Borrower, or automobiles owned, leased, hired, or borrowed by the Borrower on a separate endorsement acceptable to the City.

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees, and volunteers for losses arising from work performed by the Borrower.

The policy shall contain no special limitations on the scope of coverage afforded to the City, its officials, employees, agents or volunteers.

Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Borrower's insurance and shall not contribute with it, to the payment or satisfaction of any defense expenses, loss or judgment.

2. Acceptability of Insurers: Insurance is to be placed with insurers with a Bests' rating of no less than A:VII.

3. Any deductibles, aggregate limits, pending claims or lawsuits that may diminish the aggregate limits, or self-insured retention(s), must be declared to, and approved by, the City.

4. The Borrower shall furnish the City with certificates of insurance and original endorsements or insurance binders, signed by a person authorized by the insurer to bind coverage on its behalf, evidencing the coverage required by this Agreement. At anytime at the written request of the City, Borrower agrees to furnish a duplicate original or certified copy of each required policy including the declaration pages, conditions, provisions, endorsements, and exclusions.

5. The City, at its discretion, may increase the amounts and types of insurance coverage required hereunder at any time during the term of the Agreement by giving 30 days written notice.

6. The Borrower shall serve the City notice, in writing by certified mail, within 2 days of any notices received from any insurance carriers providing insurance coverage under this Agreement that concern the suspension, voidance, cancellation, termination, reduction in coverage or limits, non-renewal, or material changes of coverage proposed or otherwise.

7. If the Borrower fails to procure or maintain insurance as required by this section, and any Supplementary Conditions,

or fails to furnish the City with proof of such insurance, the City, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the City shall be deducted and retained from any sums due the Borrower under the Agreement.

8. Failure of the City to obtain such insurance shall in no way relieve the Borrower from any of its responsibilities under the Agreement.
9. The making of progress payments to the Borrower shall not be construed as relieving the Borrower or its agents of responsibility for loss or direct physical loss, damage, or destruction occurring prior to final acceptance by the City.
10. The failure of the City to enforce in a timely manner any of the provisions of this section shall not act as a waiver to enforcement of any of these provisions at any time during the term of the contract.
11. The requirement as to types, limits, and the City's approval of insurance coverage to be maintained by Borrower are not intended to, and shall not in any manner, limit or qualify the liabilities and obligations assumed by Borrower under the Contract.



**DEADLINE FOR SUBMITTALS:
Friday, June 30th, 2023, 4:00PM PT**

Responses must be submitted to the City Clerk Jason Lindgren at jlindgren@elkgrovecity.org, with a copy to Sarah Bontrager at sbontrager@elkgrovecity.org, by June 30, 2023 at 4:00pm PT.