



REQUEST FOR PROPOSALS (RFP)

Develop Affordable Housing Preservation Fund Program and Notice of Funding Availability (NOFA) for Affordable Housing Preservation Funds

Date of Issue: Tuesday, April 23, 2024

Proposal Due Date: Friday, May 3, 2024 at 12:00 p.m.

Section I	Project Overview
Section II	Background
Section III	Scope of Work
Section IV	Project Management
Section V	Timeline
Section VI	Content of the Proposal
Section VII	Submittal and Review Process
Section VIII	Selection Criteria
Section IX	Sample Professional Services Agreement

I. PROJECT OVERVIEW

The City of East Palo Alto (City) is soliciting proposals to develop an over-the-counter Affordable Housing Preservation Fund Program to facilitate physical and financial preservation of housing in East Palo Alto and a Notice of Funding Availability (NOFA) for affordable housing preservation funds.

This Request for Proposals (RFP) seeks the submission of proposals to provide services from any and all interested and qualified proposers, in an amount not-to-exceed of \$27,000. The City seeks by way of this RFP to obtain the listed services in a manner that maximizes the quality of services while also maximizing value. Proposers must be able to show that they can perform the services requested. Such evidence includes, but is not limited to, the respondent's demonstrated competency and experience in delivering services of a similar scope and type and availability of the proposer's personnel resources.

Based on the expertise of the proposing firm or person, proposals will be accepted for the development of an Affordable Housing Preservation Fund Program and guidelines AND the NOFA for affordable housing preservation. Guidelines for expenditures are expected to be delivered first, the NOFA second, and the city's funding and roll out of the NOFA will follow depending on budget cycle circumstances.

II. BACKGROUND

The City of East Palo Alto ("City") is a beautiful community located in the heart of the Silicon Valley and incorporated as a city in 1983. The City features a rich heritage and a culturally diverse community. East Palo Alto brings a commitment to the environment and to expanding open space and park facilities. This is a friendly residential community with a small town, family-oriented atmosphere, with a progressive public school district. The population is approximately 31,500 with an area of 2.5 square miles. Within the Community and Economic Development Department, the Housing Division is responsible for the administration of programs and policies intended to preserve, protect, and incentivize the production of affordable housing.

The City Council of East Palo Alto recently adopted its [2024-2028 Affordable Housing Strategy](#) ("AHS"). One of the goals was preserving existing affordable housing and protecting residents from displacement. The policy and program areas in the AHS include: 1) Creating More Affordable Housing, 2) Promoting and Preserving Homeownership, 3) Preserving Existing Affordable and Rent Stabilized Housing, and 4) Preventing Displacement, among others. The AHS also contains a commitment in funding for affordable housing preservation that aims to achieve these goals.

On [March 21, 2023](#), the City Council directed staff to seek affordable housing preservation funding through federal, state, regional, and local funds, in accordance with the City's 2018-2023 Affordable Housing Strategy. Affordable housing preservation has emerged as a viable option for jurisdictions to retain the number of affordable housing units. Whereas production of Affordable Housing Units play an important role in adding to the housing stock and creating opportunities for households of various incomes, new production timelines vary and can tend to be ineffective at preventing displacement. This is because of the timeline of construction (from site selection to occupancy, projects can take 5+

years), and procedure for matching new units to households require applications from multiple jurisdictions and increases competition for local residents. Preservation is a necessary and complementary housing affordability tool because it works to prevent displacement of existing residents by keeping them in their unit after physical rehabilitation and affordability covenants are secured. Preservation works best in concert with production by moving units into the affordable housing stock and at times when producing new affordable units would not be feasible. An innovative and comprehensive strategy seeks to add net new units to the overall housing stock and also increase the number of units in the affordable housing stock to ensure that growth enables stability of the existing community.

The goal of the Affordable Housing Preservation Fund Program is to provide a streamlined and over-the-counter process, and to provide a flexible and easily accessible subsidy to help affordable housing developers, community land trusts, and experienced local organizations be competitive in acquiring unsubsidized small and large affordable housing properties quickly. It should be noted that municipal funding sources are intended to be complementary to additional external sources, and that the City’s funds should typically not account for the bulk of public resources. In addition, the City has approximately \$114,000 in Low Mod Successor Agency Funds that can be used in assisting foreclosure prevention, approximately \$470,000 in housing assistance funds to assist homebuyer financial assistance, \$2.15 million in Transient Occupancy Taxes to assist with tenant and non-profit property purchases (which is estimated to support approximately 2 single family homes and one multi-family home).

Summary: Housing Program Costs and Sources from 2024-2028 Affordable Housing Strategy (as of February 2024)			
Program	Amount	Source of Funds	Proposed Outcomes
Major Home Repairs	\$800,000	Measure HH Housing Funds, County CDBG Funds	Repair 3 single-family and 13 multi-family units
Minor Home Repairs	\$25,000	County CDBG Funds	Assist 5 homeowners
Foreclosure Prevention	\$114,000	Low Mod Successor Agency Funds	Assist 3 homeowners
Homebuyer Financial Assistance	\$474,742	Housing Assistance Fund	Assist 8 homebuyers
Tenant & Non-Profit Property Purchases	\$2,157,000	Transient Occupancy Taxes	Assist purchase of 2 single-family homes and 1 multi-family home

To assist in this effort, the Housing Division seeks consultant services to improve the availability of affordable housing in the City by creating an Affordable Housing Preservation Fund Program featuring an over-the-counter process for supplemental funding to support Acquisition and Rehabilitation projects to preserve affordability, including a Notice of Funding Availability (NOFA) for affordable housing preservation issued once the Fund is resourced. The Fund will also support carrying out other preservation functions described in the Affordable Housing Strategy.

The City was recently awarded a grant by the County of San Mateo's Equity Innovation Fund ("EIF") to establish and seed an Affordable Housing Preservation Fund using an extensive community outreach process that prioritizes equity and innovation, for the purposes of executing the Affordable Housing Strategy goals, with explicit focus on preventing residential displacement and increasing housing opportunities for low-income and BIPOC households in San Mateo County.

The objective of the Affordable Housing Preservation Fund is to build municipal finance infrastructure to house and monitor expenditures towards the objectives of physically and financially preserving housing in East Palo Alto to ensure the continuous habitability and affordability for residents. Because municipal funds are locally controlled, the goal is to supplement funding for projects that receive funding support from outside sources. In cases in which outside sources fail to cover the total financial feasibility gap, these local monies should be designed to cover remaining gaps for various purposes not covered by outside funds. A flexible, over-the-counter municipal fund can ensure that projects move swiftly.

III. SCOPE OF WORK

The City of East Palo Alto seeks qualified firms, individuals, or contractors with expertise in local government, affordable housing and finance to perform the work described below. The following Summary of Tasks reflects scope items that should be considered, but not limited to, within in the proposal. Consultant services are needed to develop two affordable housing processes: an over-the-counter Affordable Housing Preservation Fund Program and a Notice of Funding Availability (NOFA) for a variety of affordable housing funds to support affordable housing preservation.

Timeline. This project is expected to take no more than one year from the contract date, or by June 2025. Below are the City's key milestones for the project and a Summary of Tasks. It is assumed that multiple tasks will be done concurrently to meet the timeline.

Summary of Tasks

Task 1 – Project Administration

- Kick-off – Consultant will schedule a kick-off meeting with City staff to discuss project expectations regarding coordination, reporting and deliverables
- Project Schedule – Consultant will work with City staff to finalize a project schedule after the kick-off meeting that includes tasks and milestones
- Monthly progress reports and invoices
- Coordination – Regular calls and meetings with staff to ensure objectives and milestones are being achieved

Task 2 – Development of the over-the-counter Affordable Housing Preservation Fund Program (to be started end of Spring 2024)

- Conduct research on over-the-counter housing preservation programs to be run by City staff
 - Can include, but not be limited to, those mentioned in the 2024-2028 Affordable Housing Strategy

- Develop program guidelines to establish an Affordable Housing Preservation Fund for the purposes of executing AHS guidelines related to preservation, including funding accessible to developers to help finance the Acquisition, Rehabilitation, and price restriction of existing unsubsidized affordable housing units as described in Policy 2.3 in the 2024-2028 Affordable Housing Strategy
 - Include equity elements in funding priorities, including prioritization of households and/or neighborhoods with the highest housing burdens, as they have the highest concentration of poverty and racialized segregated living patterns, and therefore are among the most at-risk of displacement. See Chapter 2 (Map 2.12.2.D1) in the City's [2023-2031 Housing Element](#) for other priority areas.
 - In accordance with Equity Innovation Fund application, develop intentionally inclusive communications and education strategy to ensure that Low-Income BIPOC community members are aware of programs
- Create an over-the-counter process for Acquisition and Rehabilitation
 - Present a compelling, data driven analysis that informs the development of the process
 - Provide sample processes of other agencies
 - Ensure program is flexible to support projects of various sizes (e.g. Single-Family and Multi Family), including projects developed by Community Land Trusts
 - Design municipal funding to be flexible in application during the development process (useful for predevelopment, rehabilitation, temporary relocation, and/or other uses as not covered by external funds)
- Provide guidance and recommendations on the following:
 - Per Unit Subsidy minimums/maximms (e.g. \$100k-\$200K)
 - Establishing a pre-approved developer list
 - Funding structure to help facilitate an over-the-counter process
 - Funding priorities
- Develop funding and underwriting criteria
- Prepare necessary documents (e.g. application templates) and website enhancements to facilitate the process
- Work with City staff (Housing, IT, City Manager's Office) to finalize the documents and website
- Launch the process, including outreach to potential developers
- Evaluate the process post launch for a period to be determined at the kick-off meeting
- Suggest changes, if needed, implement them with City approval and evaluate effectiveness of any revisions

Task 3 – Development of a Notice of Funding Availability (NOFA) for a variety of affordable housing funds to support new affordable housing construction (to be started in Winter 2024 or Fall 2025).

- Research similar programs and draft an NOFA for City review and approval
 - Present a compelling, data driven analysis that informs the development of the NOFA

- Engage potential funding recipients to ensure process serves their needs
- Develop a recommendation based on data collected from other agencies for the role the consultant will play in overseeing this process going forward, if any
- Establish developer criteria
- Management/oversight of the application review and selection process
- Provide guidance and recommendations on the following:
 - Per Unit Subsidy minimums/maximums
 - NOFA release timing (e.g. rolling or fixed deadline or combination)
 - Suggest funding priorities – the City plans to prioritize projects with extremely-low income units and projects serving special needs populations but those priorities need to be refined, and there may be other priorities to consider
- Develop program guidelines
 - Include equity in project evaluation criteria
 - Include a prioritization process/criteria for extremely low-income and special needs units
- Develop funding and underwriting criteria, including recommendations for how to align funding from the potential sources below to fund both the preservation fund and the NOFA. Funding amounts to be approved and determined by City Council. See Task #4 for more information
 - Former RDA Low/Mod Housing Funds. Amount TBD
 - Housing In-Lieu Fees. Amount TBD
 - Housing Impact Fees. Amount TBD
 - Federal HOME funds, if City applies and gets awarded.
 - Other recommended local, regional, state, and federal funding sources
- Finalize priorities with the City
- Finalize the NOFA in preparation for launch
- Prepare documents (e.g. application templates) and website enhancements with the support of City staff in preparation for launch
- Launch and oversee the NOFA process, including publishing and developer outreach
- Assist with project review, underwriting and selection process
- Evaluate for a period post launch to be determined at kick-off meeting
- Suggest changes, if needed, implement with City approval and evaluate effectiveness of any revisions.

Task 4 – Development of recommendations for how to allocate the City's various housing funds across the two proposed projects: (1) Affordable Housing Preservation Fund for Acquisition and Rehabilitation; and (2) Other physical and financial preservation objectives in the Affordable Housing Strategy

- Take into account the regulation compatibility of the City's funding sources and other common housing funding sources (e.g. tax credits), expenditure deadlines and other timing

considerations, and the City's funding goals (e.g. prioritization of extremely low income units) among other things.

- Maximize the City's funding sources in terms of fund leveraging and streamlining compliance monitoring
- Provide the recommendations for City review/comment

IV. PROJECT MANAGEMENT

The project will be a collaborative effort between City staff and the consultant. The City's Housing Division, under the Community and Economic Development Department, will assign staff Project Manager(s) for the overall effort, who will coordinate a City team, including the Planning Division, Building Division, the City Manager's Office, the City Attorney's Office, and other staff as needed. The consultant's proposal will provide an outline of potential consultant and staff roles in this effort.

V. TIMELINE

Below is the timeline for RFP, contract and project. The project is expected to begin in mid 2024 and end within one year. The City reserves the right to modify any of the dates in the schedule as deemed necessary.

Date	Item
Tuesday, April 23, 2024	RFP Released
Friday, April 26, 2024 (12 PM)	Deadline for questions via email
Tuesday, April 30, 2024	Response to questions via email
Friday, May 3, 2024 (12 PM)	Submission deadline for proposals
Week of May 6, 2024	Consultant Selected and Scope Refined
Tuesday, May 21, 2024	City Council Authorization to Enter Into Agreement
Week of May 21, 2024	Contract Executed
Week of May 27, 2024	Project Kick-Off
By end of May 2025	Completion of All Contract Tasks

All proposals submitted by the required deadline will be reviewed for adequacy, completeness, content, project approach, qualifications and other criteria developed during the review process. If necessary, consultants who have submitted proposals, which pass the initial review, may be invited for interviews the week of May 6, 2024 with Housing Division staff. The City reserves the right to conduct interviews with those consultants who pass the initial review or select a consultant without conducting interviews.

The contract will be awarded to the consultant(s) deemed by the City to be the best qualified for the services they are proposing to perform. Consultants are encouraged to elaborate on their qualifications, performance data, and staff expertise relevant to the proposed project.

VI. CONTENT OF THE PROPOSAL

1. **Cover Letter.** Include a cover letter with the proposal that includes, at a minimum:
 - a) title of the RFP; b) contact information; c) interest in the project; d) summary of understanding of the project; and e) summary approach to fulfill the services requested in the RFP.
2. **Firm or Person Introduction.** Include information on the firm(s) or person(s), such as form of organization, length of time in business, office location(s), number of staff and a general summary of qualifications documenting the strengths and soundness of the firm or person, areas of expertise and licensing. Include any subcontractors that will be assisting on the project. Include contact name, email address and phone number for each firm or person.
3. **Relevant Experience.** Identify projects completed or underway similar in nature and scope to those outlined in the Scope of Work. Include at least three references from agencies to whom the firm has provided similar services. Provide a complete listing of all related work undertaken or completed in the past five (5) years, in an easily comprehensible format. The listings must include:
 - Project name, location, contract value, and description (describe relevance to this project); and
 - Role of the project manager in the effort.
4. **Knowledge.** Identify familiarity with state and/or federal funding programs, such as federal HOME funds and former Redevelopment Agency (RDA) Low-Mod Housing funds.
5. **Key Staff.** Identify the team organization, staffing plan, and key staff, including the individual proposed as the project manager, and the relevant experience and role of the key individuals. Include resumés of key staff and organization chart.
6. **Project Approach.** Provide a detailed explanation of the approach planned for the project, including, but not limited to the following services and when each will be complete (Note: Items a-d should be complete by May 2025):
 - a. **Project Initiation**
 - Kick-off meeting with City staff to review background information and deliverables
 - Refine scope, if necessary
 - Finalize a work plan and schedule with staff

Deliverable: Provide a finalized work plan
 - b. **Conduct Research & Analysis**
 - Identify similar programs, processes and policies
 - Conduct interviews with those involved
 - Research City processes, policies and existing programs,

- procedures and staffing and conduct interviews
- Interview those who will be impacted by these new processes and policies
- Prepare presentation materials for community outreach opportunities
- Synthesize data collected

Deliverable: Provide written summary of the information gathered

c. **Prepare Drafts**

- Prepare draft Affordable Housing Preservation Fund Program Guidelines from data analysis and initial assessment for review and comment by staff
- Prepare draft Preservation Notice of Funding Availability (NOFA) and release timing recommendations for review and comment by staff

Deliverable: Draft(s) of Affordable Housing Preservation Fund Program and NOFA

d. **Complete Final Written Processes**

- Prepare final Housing Preservation Fund Program Guidelines
- Prepare final NOFA

Deliverable: Final Documents

e. **Prepare for Launch of New Processes**

- Work with staff to launch the Housing Preservation Fund Program and the NOFA
- Prepare documents and website
- Set dates for launch of both processes with City staff
- Ensure staff is trained, as needed

Deliverable: Staff confirms it is ready to launch on dates set

f. **Provide Support for Launch**

- Work with staff to ensure the Housing Preservation Fund Program and NOFA launch are going smoothly
- Recommend changes if needed

Deliverable: Staff support and recommendations

g. **Meetings and Process Related Tasks**

- Provide a proposed number of virtual meetings inclusive of the project initiation and conversations associated with the aforementioned tasks

h. **On-Going Support**

- Discuss with staff any additional support needed, particularly for the NOFA process

7. **Budget and Schedule.**

- Outline an anticipated budget for the project by task, including all

staffing costs, as well as expenses and assumptions. The budget should assume sufficient meeting time to coordinate adequately with staff; costs per meeting for additional meetings (if necessary); costs for any suggested optional tasks; and

- Provide a **schedule** for the proposal to identify the overall timeline for the project, including key milestones and deliverables.
8. **Client References.** List a minimum of three relevant client references for the proposed project manager.
 9. **Insurance.** Provide evidence of insurability and liability limits (see attached Insurance Sample).
 10. **Comments or Requested Changes to the Contract.** A typical City of East Palo Alto City Professional Services Agreement is included as an attachment to the RFP. The proposing person or firm shall agree to enter into the contract as is, or identify any objections and/or requested changes to the agreement as part of this proposal. The City reserves the right to accept or reject any proposed changes.

VII. **SUBMITTAL AND REVIEW PROCESS**

1. **Number of Copies.** One pdf file of the proposal is required.
2. **Maximum Page Count.** The proposal should have a maximum page count of ten (10), excluding resumés.
3. **Deadline.** Only e-mail submittals will be accepted. Submittals are due on or before Friday, May 3, 2024 at 12:00 PM. The date stamp on the email will reflect the time the submittal is received by the City of East Palo Alto. The City reserves the right to reject late submittals.

Send Submittals. One (1) e-mail copy of the Proposal Response shall be sent electronically to housing@cityofepa.org. The subject of the email should be: **“RFP for East Palo Alto Affordable Housing Preservation Services.”** The consultant may contact Karen Camacho, Housing and Economic Development Manager, at housing@cityofepa.org, to arrange electronic submittals of large files. Submission of a proposal indicates acceptance by the consultant of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of East Palo Alto and the consultant selected.

4. **Applicant Questions.** Direct all questions regarding the RFP in writing via email no later than Friday, April 26, 2024 to housing@cityofepa.org.
5. **Refusal.** The City of East Palo Alto reserves the right to accept or reject any or all proposals, or to alter the selection process in any lawful way, to postpone the selection process for its own convenience at any time, and to waive any non-

substantive defects in this RFP or the proposals.

6. **Changes.** If changes to the RFP are warranted, they will be made in writing, clearly marked as addenda to the RFP, and posted to the website at <https://www.cityofepa.org/rfps>. It is the responsibility of each proposer to check the website for changes and/or clarifications to the RFP prior to submitting a response, and a proposer's failure to do so will not provide a ground for protest.
7. **Other Firms.** The City reserves the right to negotiate with other qualified persons or firms, or to solicit additional statements of qualifications at any point in the project should it fail to negotiate a reasonable fee with the initially selected person or firm, or should that firm fail to execute the City's agreement.

VIII. **SELECTION CRITERIA**

Though it is conceivable that one consultant (firm or person) may be able to perform all services desired, it is possible that proposers will have areas of expertise better suited to one of the programs listed in Section III. As such, the City may select more than one consultant from this process to meet its needs. Therefore, proposals will be accepted that cover only a portion of the services being sought. Proposers must indicate what work they are proposing to perform in their submittals.

The successful firm or individual will be selected on the basis of professional qualifications and demonstrated competence. The following will be considered during evaluation of proposals:

1. Experience, qualifications, performance and availability of proposed project manager
2. Familiarity with state and/or federal funding programs, such as federal HOME funds and former Redevelopment Low-Mod Housing funds
3. Proposed project approach and use of best management practices
4. Budget
5. Ability to meet project timeline
6. Review of references
7. Agreement to enter into the following Sample Agreement for Services contract or a list of proposed changes for City review

IX. **SAMPLE AGREEMENT FOR SERVICES** – See Exhibit A to RFP attached as a separate PDF.

X. **SAMPLE INSURANCE** – See Exhibit B to RFP attached as a separate PDF.