



Request for Proposal

RFP for Development of Affordable Housing Preservation Funding Program Guidelines and NOFA

April 30, 2024

Questions and Answers:

- 1. Q: Can you clarify if the NOFA is for preservation projects or for new construction projects (Task 3)?**

A: The NOFA is for preservation and acquisition/rehabilitation projects.

- 2. Q: Can you please elaborate on what the City envisions for an “over-the-counter” housing preservation program and process for Acquisition/Rehab (Task 2) and how it relates to the NOFA (Task 3)? Do they represent two different methods for a developer to request funding under the Program?**

A: The intent of the program is to provide streamlined municipal funding to complement affordable housing preservation projects which receive funding from external sources but still require gap coverage to achieve feasibility. The “over-the-counter” characterization is intended to reduce the intensity and complexity of the capital stack that can constrict development projects. By establishing a fund and developing expenditure guidelines that qualify projects for funding, the City can develop and later issue a NOFA (once funds have been allocated) to encourage developers to seek Acquisition/Rehab Preservation projects within the City. Rather than two methods, the Guidelines inform the NOFA for preservation projects which can apply for municipal funding.

- 3. Q: Task 3 of the Scope of Work asks the proposer to “assist with project review, underwriting and selection”. Would City staff expect the consultant to review and underwrite all proposals, or simply provide feedback based on City staff’s review? Do you have a minimum number of projects you would like the consultant to budget for reviewing?**

A: The objective for this RFP is to create Guidelines for Affordable Housing Preservation Expenditure and a NOFA which the City can issue upon allocation of funds. The intent of Task 3 is to establish the guidelines which will assist with project review, underwriting and selection once the program is funded and running. Rather than reviewing individual projects, the consultant is expected to support development of a *framework* by which the City can evaluate projects for funding approval/rejection.

- 4. Q: Task 2 of the Scope of Work references a review of over-the-counter preservation programs, which may include but are not limited to those mentioned in the 2024-2028 Affordable Housing Strategy. Could you please confirm which programs/pages those are in the Strategy?**

A: Pages 17-22 of the [2024-2028 Affordable Housing Strategy](#) feature details on Preservation and Anti-Displacement Goals.

- 5. Q: Will the City consider a modified scope to remain within the \$27,000 budget, or a budget above \$27,000?**

A: Yes, but the key purpose of the RFP still needs to be answered in the proposal. These other recommended services may be added as optional services for consideration. 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.

- 6. Q: Can the contract include Termination Rights by the consultant?**

A: Yes, a contract may contain Termination Rights. Any language added to a contract must receive City Attorney approval.

- 7. Q: If the firm has no employees, can the Worker’s Comp insurance be waived?**

A: If the firm has no employees, Worker's Compensation is not required. However, the firm must sign a Certificate of Exemption of Worker's Compensation, affirming they have no employees.

8. Q: If the firm owns no autos, can the “any auto” insurance requirement be waived and instead allow “non-owned and hired autos”?

A: Any waiver to auto insurance must be formally requested by the firm and approved by the Risk Manager.

9. Q: Is the Preservation NOFA expected to address one housing stock typology over another, e.g. Multifamily over Single Family?

A: The NOFA should be flexible to apply to buildings of various sizes and compositions, with variations as appropriate to project type. This includes single-family to multi-family housing. Please refer to the adopted [2024-2028 Affordable Housing Strategy](#). This is crucial especially as this program is expected to support affordable housing strategies for decades to come, and flexibility to adjust to market conditions over time will be essential to efficacy.

10. Q: How should the Preservation Guidelines determine the scale of Municipal resources available on a per-unit and/or per-project basis?

A: The City’s objectives regarding anti-displacement seek to optimize both the number of units preserved and the depth of affordability to the maximum extent possible. Both breadth and depth require additional resources. Contractors will work with the City to establish scoring criteria including but not limited to points of advantage for projects which secure preservation funding from outside sources including County, State, Federal, and/or Philanthropic funds. While it should be typically expected that municipal resources cover smaller portions of feasibility/affordability gaps, there may be flexibility to enable specific circumstances in which the City could decide to cover larger portions of per unit costs with municipal resources.

11. Q: Acquisition and Rehabilitation Affordable Housing Preservation projects have been sparsely practiced in San Mateo County recently as compared to other production and preservation project types. Funding support could come at various stages of the development process – are there predetermined priorities for where municipal funds may be applied in the project process?

A: Because the intention of municipal funds is typically to complement outside funding sources, funds may be used to plug gaps not covered. For example, if predevelopment, acquisition, and/or rehabilitation costs leave gaps for a housing development organization, these funds should be flexible to apply at various stages. The contractor will partner with the City to research Acquisition/Rehabilitation

preservation projects in San Mateo County and neighboring counties to identify common patterns in the stages at which gaps occur for Acquisition/Rehabilitation projects to inform best practices.

12. Q: What is the expected timeline for Guidelines and NOFA?

A: The City has committed to producing an Affordable Housing Preservation Fund and Preservation Guidelines during Fiscal Year 2024-2025 using resources from the San Mateo County Equity Innovation Fund. The NOFA for Preservation resources will be developed during that year as well but will not be issued until budgetary decisions about allocation of municipal resources are finalized, estimated to be around the time of the start of Fiscal Year 2025-2026.