2023 Request for Proposals:
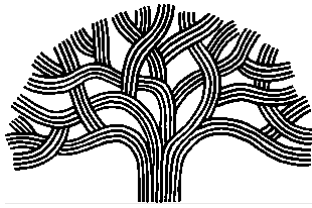# Initial Application for
Homekey Round 4 and Rapid Response
Homeless Housing Program (R2H2)

City of Oakland

Department of Housing and Community Development

Release Date: 11/30/23

Due Date: 2/29/24

I. Summary

The City of Oakland Department of Housing and Community Development (City) is seeking proposals for the creation of housing for people experiencing homelessness, including permanent, transitional, and interim housing. Respondents to this Request for Proposals (RFP) may be selected to co-apply with the City to an upcoming round of the State Homekey program should the State release a Homekey Round 4 Notice of Funding Availability (NOFA). Submissions will also be reviewed for the potential award of available City funds, as well as other partnerships with the City and other government entities, to create new housing opportunities for people experiencing homelessness under the City's new Rapid Response Homeless Housing Program (R2H2).

This RFP differs from the City's 2022 Homekey Round 3 RFP in the following ways:

- **The application process is divided into <u>two phases</u>:**
  - o **<u>Initial Application</u> (the subject of this RFP) where an applicant must establish that City threshold requirements are met, and**
  - o **<u>Full Application</u> where an applicant submits additional information and the application is scored and ranked.**
- Only applicants that meet City threshold requirements will be invited to submit a Full Application.
- Full applications will be reviewed on a competitive basis using scoring criteria based on the priorities described in Section V. below.
- If the State issues a Homekey Round 4 NOFA, the State's excel workbook application, including all required documentation, will serve as the Full Application.
- If the State does not issue a Homekey Round 4 NOFA, applicants will complete a City Full Application and submit required documentation.
- The R2H2 Program is a new program and will create a pipeline of projects housing people experiencing homelessness in the following ways:
  - o If applicants have projects that either do not need State Homekey funding or are unsuitable for applying for Homekey funding, these may be considered for funding using City resources and may be considered on an expedited timeline, to the extent local funding is available. This will only apply to applications for projects that can be brought online no more than one year from the award of City funds, pursuant to City funding limitations, as described in Section V. below.
  - o If applicants do not meet threshold requirements or do not score high enough to receive funding, these projects will remain in the R2H2 pipeline and City staff

will assist applicants in either meeting threshold requirements or improving their scoring. If the applicant has not met City threshold requirements/scoring improvements within six months, the City may close the application at its discretion.

o Project sponsors/developers can apply to the R2H2 program on a rolling basis, however, applicants that want to apply as a co-applicant with the City for Homekey Round 4 must submit by the deadline of February 29, 2024.

To Apply

For this funding opportunity, all applications must be submitted through *City Data Services (CDS), the City's on-line application database system.* Please see Section III. below for details.

No email or hard copy submittals will be accepted.

Application Timeline

To be considered for Homekey Round 4, applications must be submitted by **Thursday, February 29, 2024 at 4:00 pm.** Applications submitted after this deadline will not be considered for Homekey Round 4. This timeline is subject to change based on the timing of a release of a State Homekey NOFA.

Applications will be accepted after February 29, 2024 and placed in the R2H2 pipeline for consideration of an award of City funding.

II. RFP Timeline

November 30, 2023	Release of City of Oakland Homekey 4/R2H2 RFP https://www.oaklandca.gov/topics/city-homekey
December 13, 2023 12:30 – 1:30 pm	Pre-Application Meeting #1 – see below for zoom link.
January 24, 2024 12:30 – 1:30 pm	Pre-Application Meeting #2 – see below for zoom link
February 29, 2024 at 4:00PM	Deadline for submitting an RFP Proposal via City website application portal to be considered as a co-applicant with the City for Homekey Round 4. https://www.oaklandca.gov/topics/city-homekey
April 1, 2024	City informs Applicants that have met Threshold Requirements that a Full Application is requested.

TBD, pending release of Homekey Round 4 NOFA	Notification of City's selection of an applicant as a Co-Applicant with the City on a Homekey application will be determined upon release of a State Homekey Round 4 NOFA.
Rolling basis	Applications that either do not need State Homekey funding or are unsuitable for applying for Homekey funding, may be considered for funding using City resources and may be considered on an expedited timeline, to the extent local funding is available.

The RFP Timeline is subject to modification upon release of a State Homekey Round 4 NOFA. The City's R2H2 Full Application will be available by January 30, 2024.

State Homekey NOFA Schedule Requirements

Expected project timelines based on the State Homekey Round 3 NOFA are as follows:
1. All Homekey capital funds must be expended within eight months of the date of State Homekey award.
2. Projects must complete all applicable construction and/or rehabilitation within 12 months of the date of State Homekey award.
3. All projects must achieve a full occupancy (fully occupied with consideration for an average of 10% vacancy rate at any given time) within 90 days of construction or rehabilitation completion.

The R2H2 Program will also require all construction/rehabilitation to be completed within 12 months of City award of local funds, with full occupancy 90 days later (fully occupied with consideration for an average of 10% vacancy rate at any given time).

III.   Application Process and Pre-Application Meetings

FOR THIS FUNDING OPPORTUNITY, ALL APPLICATIONS MUST BE SUBMITTED THROUGH CITY DATA SERVICES (CDS), the City's on-line database system.

To access CDS, please visit https://www.citydataservices.net/ and enter "HOMEKEY2024" as both the username and password. This will bring you to a page where you can create a unique user account/password and begin work on your application. Please direct CDS technical questions to citydataservices@yahoo.com.

PLEASE NOTE: Paper or e-mail applications will not be accepted.

Applicants are strongly encouraged to attend a pre-application meeting via video

conference where City Housing staff will review the online application process and be available for questions.

Two pre-application meetings have been scheduled:

- **#1 - December 13, 2023, from 12:30 - 1:30 PM**
- **#2 – January 24, 2024, from 12:30 – 1:30 PM**

PLEASE USE THE ZOOM LINK/CALL-IN NUMBER BELOW FOR BOTH SESSIONS.

---

https://us06web.zoom.us/j/5149483144?pwd=OFlvenRBUUpKY1AySkE0ZWNwSHI4UT09

Meeting ID: 514 948 3144
Passcode: 159835

Dial by your location
+1 669 900 6833 US (San Jose)

A recording of the meeting will be posted on the City's Homekey/R2H2 website afterwards.

IV. State Homekey Program Guidelines

Until a State Homekey Round 4 NOFA is released, applicants are to refer to the Round 3 Guidelines, issued by the State of California Housing and Community Development Department on March 29, 2023. Round 3 NOFA: https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/homekey/Homekey-Round-3-Notice-of-Funding-Availability.pdf

V. City R2H2 Program Funding Availability, Process, and Guidelines

This section also applies to projects applying to Homekey and seeking local funding to serve as match.

Funding Availability

The City Council's biannual 2023 – 2025 budget established a Rapid Response Homeless Housing Fund in the amount of $10,400,740 utilizing "boomerang" (former redevelopment funds) and Low-and-Moderate-Income Housing Asset Fund funds. In addition, the City has a pool of Permanent Local Housing Allocation (PLHA) funds

dedicated to capitalized operating subsidy reserves for housing serving people experiencing homelessness in an estimated amount of $19,667,562.

In addition, a portion of Measure U bond funds will be allocated to this program, as well as a portion of the funds committed to Homekey 3 applicants that were not awarded State funding. The amount remaining from Homekey Round 3 commitments, minus $10,000,000 previously designated for the Acquisition and Conversion to Affordable Housing (ACAH) program, will be available for Homekey Round 4 and R2H2.

To implement the deployment of these funds in a manner that is expeditious and effective in addressing homelessness, staff created the Rapid Response Homeless Housing (R2H2) Program, modeled on the success of the Homekey program. The City Council adopted this program at its November 7, 2023 meeting. The legislation and Agenda Report is linked here
https://oakland.legistar.com/LegislationDetail.aspx?ID=6371994&GUID=93933F08-4BD1-45AF-82B2-7C7524967019&Options=ID|Text|&Search=homekey

This program is being launched simultaneously with the request for proposals for potential Homekey Round 4 funding. These funds may be used as match for State Homekey applications, as well as for projects that will not include State Homekey funds.

The plan to assemble multiple funding sources and deploy them toward rapid response homeless housing is informed by and aligns with the equity investment framework in the HCD Strategic Action Plan ("Plan"). It is anticipated that with the combined Homekey and R2H2 Programs in play, the unit projections included in the Plan for homeless exits housing can be achieved.

The City intends to fund either or both capital costs and operating subsidies. However, due to the limited local funding available, the following are the program's funding caps:

Capital	$200,000 per unit
Operating Subsidy	$200,000 per unit for a period of 10-15 years

Proposals with requests that are lower than these caps will receive priority for City funding.

Application Process

The R2H2 Program accepts proposals on a rolling basis, including proposals that are conceptual. These proposals will go through a threshold review process to ensure that there is site control, sponsor and/or partner experience to execute on a development, and that there is a plan for the development of the property, the ongoing operation of
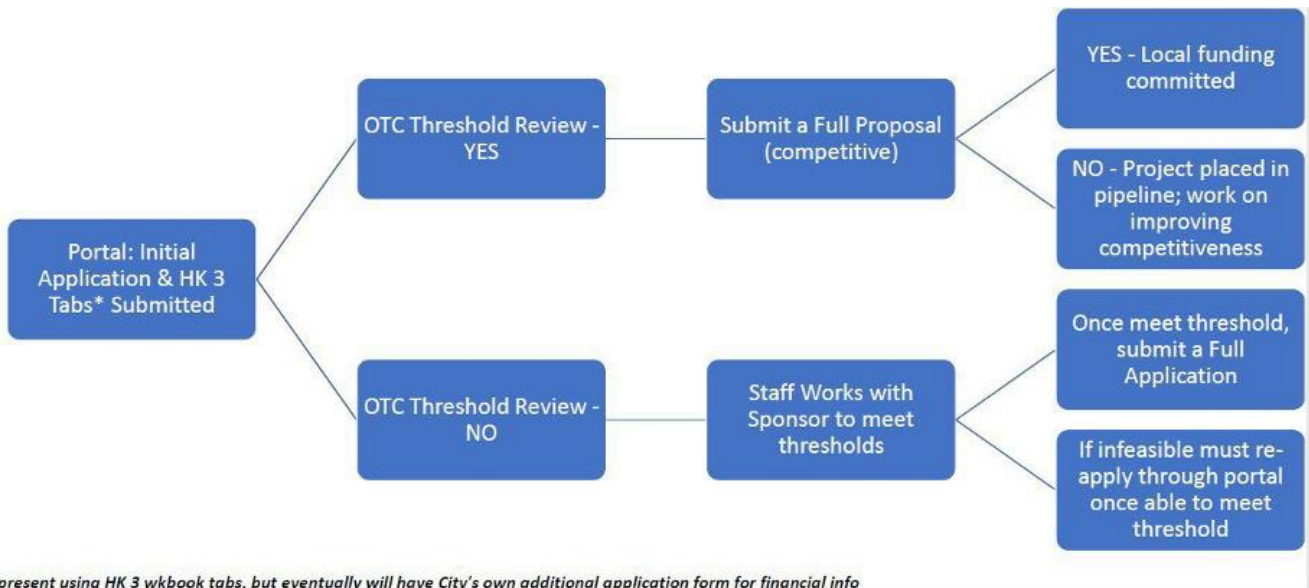
the building, and the delivery of supportive services to the residents. Once a proposal has met the thresholds, a full application will be requested and reviewed by staff on a competitive basis. Local funding would be committed to projects based on competitive scoring that will prioritize readiness to house people experiencing homelessness, cost efficiency, and strength of the sponsor and partners to complete the development, manage the properties in a professional manner, and deliver services that ensure positive outcomes for residents, as described further below. Finally, under the R2H2 Program, City staff can assist project sponsors with meeting thresholds and identifying partners to advance their projects.

While the State Homekey program is a prime opportunity to advance housing for people experiencing homelessness due to the very generous contribution of State funding, there may be cases where a submitted project is ready to quickly move forward without Homekey funding and could be awarded local funding under the auspices of the R2H2 Program. Additionally, should the State not issue a Homekey Round 4 NOFA, the R2H2 Program becomes the City's vehicle for vetting and supporting projects serving people experiencing homelessness.

The chart below is a graphic representation of the process when the R2H2 Program is operating simultaneously with the Homekey RFP process.

The chart below is a graphic representation of the process when the R2H2 Program is operating independently of Homekey, to the extent there is no Homekey 4 NOFA.

* at present using HK 3 wkbook tabs, but eventually will have City's own additional application form for financial info

R2H2 Threshold Requirements

The following are the threshold requirements that must be met to be eligible for City funding through the R2H2 program:

1. Site Control as defined in the Homekey Round 3 NOFA, Section 300.vi (a. - f.), and must not be contingent on the approval of another party.
2. Sponsor Experience
   a. Developer/Owner: Acquisition or development/rehabilitation and ownership of two projects similar in scope and size to the proposed in the past ten years.
   b. Property Manager: Three or more years of property management experience managing/operating two properties serving the proposed target population.
   c. Service Provider: Two or more years of experience providing services to the proposed target population.
3. Estimated Timeline to complete project within 12 months of award of City funding.
4. Serves Target Population as defined in Homekey Round 3 NOFA Section 300.xl.
5. Completed Financial Tabs of Homekey Round 3 workbook
   a. Unit Mix
   b. Development Budget (pursuant to instructions in Initial Application)
   c. Development Sources
   d. Award, Match, and Revenue (pursuant to instructions in Initial Application)
   e. Operating
   f. Cash Flow

6. No permanent relocation will result from the project.
7. Signed City Certifications that include, but are not limited to:
    a. Adherence to Housing First as defined in Homekey Round 3 NOFA, Section 501.
    b. Agreement to select tenants through the Coordinated Entry System (CES) or an alternative tenant selection process as defined in Homekey Round 3 NOFA, Section 502.
    c. Agreement to meeting measurable outcomes related to resident well-being established by the City that include, but are not limited to, housing retention, maintenance or increase of income, and increased access to benefits.

R2H2 Scoring Priorities for Full Applications

These scoring priorities will be applied to the review of Full Applications as described above. The scoring rubric for each priority will be established and made public by January 30, 2024.

1. Readiness
    a. Site control that will transfer ownership in the shortest timeframe.
    b. Non-City funding is committed.
    c. No zoning changes are needed.
2. Development timeline indicates that the project can be completed in less than 12 months.
3. Sponsor experience that is in excess of threshold requirements.
4. Project will serve transitional age youth.
5. Project will serve victims of domestic violence.
6. Cost efficiency that demonstrates that the proposal is requesting less than the City caps for capital and operating funding.
7. Proximity to amenities that demonstrate a value to the residents of the housing.
8. Quality of supportive services plan and approach to property management.
9. Written commitment of project partners: developer, service provider(s), and property manager.

Additional scoring criteria may be added based on the contents of a Homekey Round 4 NOFA.

VI.   Additional City Guidelines

The City's Homekey/R2H2 website will include a list of interested sellers for your information. Please visit https://www.oaklandca.gov/topics/city-homekey for self-reported lists of properties and partners. The City makes no representation regarding the

accuracy of this information and encourages all interested parties to conduct their own due diligence on the information found in this list.

The City will not directly acquire any new Homekey or R2H2 properties. Applicants must acquire, own, develop, and manage the proposed properties.

Maximum Developer Fee: A flat developer fee of the sum of $100,000 plus $22,000 per unit, up to a maximum of 5% of total development costs (excluding the developer fee).

However, the fee for each project is subject to approval by the City of Oakland and further, developer fee may be restricted for transitional or interim housing proposals at the City's discretion. Note that fees may also be capped by other financing sources.

VII. RFP Submittal Requirements

To be considered complete, proposals in response to this RFP must include the following components:

1. Initial Application Form (see Section III. Above for instructions on how to access)
2. Attachments to Application Form; upload in application portal
   a. Site control documentation
   b. Homekey Application Workbook, tabs:
      i. Unit Mix
      ii. Development Budget
      iii. Development Sources
      iv. Award, Match and Revenue
      v. Operating
      vi. Cash Flow
   c. Timeline
   d. Required City Certifications, signed and dated

VIII. City Rules

All applicants must agree not to discriminate on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, age, marital status, family status, source of income, participation in a tenant-based rental assistance program, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), immigration status, past criminal background or any other arbitrary basis. Projects must meet the requirements of the Americans with Disabilities Act and other applicable disability laws.

Applicants should understand that under the California Public Records Act and the City's Sunshine Ordinance, all documents that are submitted in response to this RFP, including financial information, are considered public records and will be made available to the public upon request, unless specifically exempted under the law.

Please note that under conflict of interest laws, no public official of the City who participates in the decision-making process concerning selection of a developer or a project may have or receive a direct or indirect economic interest in the developer or the project.

The City's issuance of this RFP is not a promise or an agreement that the City will actually fund any project or enter into any contract. The City reserves the right at any time and from time to time, and for its own convenience, in its sole and absolute discretion, to do the following:

- Modify, suspend or terminate any and all aspects of the selection process, including, but not limited to this RFP and all or any portion of the developer selection process;
- Waive any technical defect or informality in any submittal or submittal procedure that does not affect or alter the submittal's substantive provisions;
- Reject any and all submittals;
- Request some or all applicants to revise submittals;
- Waive any defects as to form or content of this RFP or any other step in the selection process;
- Reject all proposals and reissue the RFP;
- Procure the desired proposals by any means other than this RFP or not proceed in procuring the proposals under this RFP; or
- Negotiate and modify any and all terms of an agreement entered into pursuant to this RFP.

The City may modify, clarify and change this RFP by issuing one or more written addenda. Addenda will be posted on the City's website. The City will make reasonable efforts to notify interested parties in a timely manner of modifications to this RFP but each applicant assumes the risk of submitting its submittal on time and obtaining all addenda and information issued by the City. Therefore, the City strongly encourages interested parties to check the City's web page for this RFP frequently.

IX. Questions

Please send questions to HCDinfo@oaklandca.gov and include *"Homekey/R2H2 RFP"* in the subject line. Responses to questions will be posted on a rolling basis on the Homekey/R2H2 page of the City HCD website.