

City of Oakland
Department of Housing and Community Development
Wood Street – RFP
Amendment 1: Updates to RFP (June 7, 2018)

I. General Information

The RFP is available at the following location:

<https://www.oaklandca.gov/services/request-for-proposal-for-development>

Submittal forms are available at the following location:

<http://www2.oaklandnet.com/government/o/hcd/s/AffordableHousing/DOWD009608>

The deadline to submit questions is Friday, June 15, 2018. For additional requests for information or clarification of this RFP, please contact Christia Katz Mulvey:

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II. Questions Regarding RFP

Q: Is there a document available that will show easements? The railroad easement is only ½ acre, it's not clear how to account for the remainder.

A: The required 18th Street right of way easement resulted in a net loss of developable acreage. We will distribute a new title report that will show all easements. (The report has been ordered and should be available shortly.)

Q: How do local hire preference points work for local business subcontractors?

A: They are awarded based on the primary contractor's (i.e, the developer's) local hires, not the subcontractors. Please refer to the RFP Amendment for further details.

Q: What is the minimum wage of Oakland? Is it adjusted for with/without benefits?

A: The minimum wage is currently \$12.55/hour, and is not adjusted for benefits. It will increase in August, and there's a possibility that it would exceed the living wage. As of July 1st, 2018, the applicable living wage rate shall be \$13.75 per hour if health benefits of at least \$2.03 per hour are offered. If no health benefits are offered, a pay rate of \$15.78 per hour is required.

Michele Byrd noted: There may be additional constraints on the site due to the Public Lands Strategy. The strategy is still under discussion. It is somewhat less likely to have any effect on 100% affordable housing projects.

Q: The RFP says "Currently the City is limited to a maximum ground lease term of 66 years, but it currently taking action to permit ground leases of up to 99 years." What's the basis for this? In what way is the site limited to a 66- year lease??

A: The Charter now permits the City to enter into leases for up to 99 years, but the actual term of any lease will be the subject of negotiations.

Q: The site was purchased with Low/Mod Housing Funds and is part of the Low/Mod Housing Asset Fund. Is it permissible to do above moderate income housing on the site? If so, how will the City ensure that any discount on the lease is applied only to the affordable units? Is there any limit to the percentage of units that can be moderate income?

A: The site was purchased with Low and Moderate Income Housing Funds, which means that any sales proceeds or other income generated by the site will now go to the Low and Moderate Income Housing Asset Fund. However, the site itself is not in the Asset Fund or subject to Asset Fund rules. The only requirement is that that the Low Mod subsidy goes to low to moderate-income units, of which there will be a minimum of 125, to achieve compliance with California Redevelopment Law. Regarding lease rates, this will be negotiated with the chosen applicant.

Q. How will environmental liability/cleanup for the site be handled?

A: The developer will be responsible for ensuring that the site is adequately remediated for residential use, although the City will provide assistance with determining appropriate levels of clean-up. It is expected that the City and developer will share liability coverage, and negotiate over how best to protect the interests of the City and developer, and health of residents.

Q: Will the City allow the target income restrictions on the rental portion of the site to increase to 80% of Area Median Income (AMI), in conjunction with recent state tax credit changes?

A: No, the maximum target income for the affordable rental units on this site will remain capped at 60% of AMI. If the proposal includes units beyond the 125 minimum affordable units required, we would certainly accept proposals that included higher income levels for those additional units.

Q: Will Q&A be distributed?

A: Yes. We'll distribute a prelim Q&A and a final Q&A.

Michele Byrd: The deadline for RFPs will be strictly enforced. We highly recommend submitting applications early to be safe.

III. Point Scoring – Preference Points for Local Participation

(Source: City of Oakland, Local & Small Local Business Enterprise, Certification and Local Employment Program Guidelines, page 12 -

<http://www2.oaklandnet.com/government/o/CityAdministration/d/CP/s/policies/index.htm>)

Bid Discounts and Preference Points

Incentives are earned based on the level of participation proposed prior to the award of a contract. Bid discounts are applied at a rate of one percent (1%) or one (1) preference point for every 10% of contract dollars attributable to certified firms. No more than five percent (5%) in bid discounts or five (5) preference points may be earned.

Level of L/SLBE Participation Achieved		Bid Discounts to Be Awarded to Contractors (Construction)	Preference Points to be Awarded to Consultants (Professional Services)
50%	25% LBE and 25% SLBE	2%	2 pts
60%	30% LBE and 30% SLBE	3%	3 pts
70%	35% LBE and 35% SLBE	4%	4 pts
80%	40% LBE and 40% SLBE	5%	5 pts

In those instances where VSLBE participation is evident, the value of preference points and bid discounts associated with VSLBE participation will be double-counted towards meeting the requirement.

Preference Points for Local Hire or Non-Construction Contracts

Earning extra preference points for having an existing work force that includes Oakland residents is considered added value. The Request for Proposal “evaluation” process allows for additional preference points over and above the number of points earned for technical expertise. Typically 100 points may be earned for the technical elements of the RFP. Preference points are awarded over and above the potential 100 points. Staff recommends awarding preference points for an Oakland workforce according to the percentage of Oakland residents as follows:

Years in Oakland		Oakland Resident Workforce	
Years in Oakland	Additional Points	Workforce	Additional Points
5 yrs	.50 pt	Up to 24%	1.00 pt
10 yrs	1.00 pt	25% - 49%	2.00 pts
15 yrs	1.50 pt	50% - 74%	3.00 pts
20 yrs	2.00 pts	75% - 99%	4.00 pts
25 yrs	2.50 pts	100%	5.00 pts

Given the above, local and non-local businesses (certified firms) may earn up to a maximum of 2.5 additional 5 preference points for having a workforce that is made up of Oakland residents and committing to Oakland new hires.

Please include a response for local participation under tab 17. Include a certified letter on respondent's letter head certifying your intent and/or existing status for meeting the above thresholds. Points will be awarded based on the proposed intent, years in Oakland as a certified local firm, and Oakland resident workforce. The respondent will be expected to meet the intent as certified during the design and construction process per the chosen method.

Scoring Criteria

Complete applications will be scored in the following categories. Maximum points in each category are noted. Scores are calculated as the percentage of points attained out of the total points possible for each project type. Please note that points will be rounded to the nearest ¼ point. In all cases points are awarded for exceeding, rather than meeting, the threshold requirements for the category. Preference Points for Local Participation are now included. The scoring criteria has been amended as follows:

	<i>Rental</i>	<i>Self Score</i>
I. Financial Characteristics	22 pts	
A. Leveraging	8	
B. Funding Commitments	14	
II. Homeownership Component	25 pts	
III. Target Population and Project Attributes	25 pts	
Income Targeting	10	
B. Unit Size	5	
C. Units for People with Special Needs	5	
D. Homeless - Permanent Supportive Housing Units	5	
IV. Developer Experience and Capacity	27 pts	
A. Developer Experience Exceeds Minimum	10	
B. Developer Capacity	8	
C. Developer Financial Strength	6	
D. Strength of the Development Team	3	
V. Readiness	5 pts	
VI. Local/Small Local Business Enterprise	12.5 pts	

A.	Level of LBE/SLBE	5	
B.	Years in Oakland	2.5	
C.	Oakland Resident Workforce	5	
VII. Sustainability		10 pts	
VIII. Penalty for Nonperforming Previously Funded Projects		-10 pts	
Total Possible Points		126.5	
		pts	