

November 1, 2016



Dear Valued Partners:

The City of San José Housing Department is pleased to announce a Request for Proposal (RFP) for the development and operation of an **Affordable Housing Rental Development Opportunity in San José**. The **RFP CSJ HSG 11-1-16**, including application instructions, is available on the BidSync procurement system. **Completed proposals will be due on Friday, January 20, 2017**. This RFP may be downloaded from the [BidSync](http://www.BidSync.com) solicitation posting system. Proposers must register with BidSync at www.BidSync.com. If you have a problem registering online, contact BidSync directly by calling toll-free at 800.990.9339. All addenda and notices related to this procurement will be posted by the City on BidSync.

The intention of this RFP is to identify qualified respondents who will develop, construct, and operate an intergenerational housing community in San José. Please refer to the RFP for more information.

The City's Housing Department staff will conduct a **mandatory** Pre-Proposal Conference at the following time and location to assist all RFP respondents in completing the application, required forms, and to enhance their understanding of application requirements and project evaluation criteria.

Wednesday, November 16, 2016

10:00 AM to 11:00 AM

Roosevelt Community Center

901 East Santa Clara Street

San Jose, CA 95116

As noted above, attendance at the workshop is **mandatory** for all RFP respondents. Failure to attend the workshop will disqualify an agency from being considered for this RFP. The

workshop should be attended by the project director/manager and staff member responsible for the financial oversight of the project.

Please contact Mark Gerhardt at mark.gerhardt@sanjoseca.gov should you have any questions.

Sincerely,

Jacky Morales-Ferrand
Director, Housing Department

City of San Jose - Housing Department
408-535-3860
www.sjhousing.org



Response to Request for Proposals:

RFP# CSJ HSG 11-1-16

Gallup & Mesa Development



Submitted to:
City of San José

January 20, 2017

Eden Housing, Inc.
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Hayward, CA 94541
510.582.1460
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January 18, 2017

Mark Gerhardt
Housing Department
200 E. Santa Clara Street, 12th Floor
San Jose, CA 95113-1905

RE: RFP# CSJ HSG 11-1-16, Response to Request for Qualifications

Dear Mr. Gerhardt:

Eden Housing is pleased to present our qualifications for the development of 41 affordable homes at the corner of Mesa and Gallup Drive in San Jose. We are excited about the prospect of again working with the City of San Jose towards its vision for a high-quality intergenerational affordable housing community in this location.

Eden Housing is one of the oldest and most experienced affordable housing developers in California, and we are adept at completing and managing high quality affordable housing developments of this scope. In our work, we involve community participation, engage talented designers to create beautiful and contextual developments, knowledgeably obtain multiple types of affordable housing financing, and commit to successfully operating our developments for the long term. Since our founding in 1968, Eden Housing has developed and acquired more than 9,000 residential units in cities throughout state. As a testament to our long-term commitment, we still own and operate the first project completed by our founders, Josephine Lum Lodge -- and the homes are still as affordable today as they were when they first opened.

We would like to highlight a few aspects of our experience and organizational philosophy that are exceptionally well suited to this project:

Commitment to Housing with Supportive Services: We know from our experience as an affordable housing owner and manager that we can have a much greater impact on the lives of our residents when we enhance our housing with supportive services. At each property, services and programs are tailored to the needs of the residents. At our properties for the formerly homeless and disabled residents, Eden Housing Resident Services, Inc. works to promote independent living, safety, and social connection, often times in partnership with other local organizations and providers. For example, at Eden's Gilroy Sobrato Studios, where all units serve formerly homeless residents, we partner with Community Solutions to provide case management and respond to the needs of this community. At one of Eden's newest developments, a 66-units affordable housing development for U.S. military veterans in Dublin, CA, we are partnering with the Palo Alto VA and Abode Services to provide comprehensive case management and



Eden Housing Resident Services Inc. does not discriminate based on race, color, religion, sex, handicap, familial status, national origin, or any other arbitrary basis. TDD/TTY 1 800 795 2922



supportive services for the previously homeless and chronically homeless veterans. As community-based agencies, these organizations have the local knowledge and connections to link our residents to the particular resources that best suit their needs.

Commitment to Community Process: A key aspect of Eden's success is our ability to obtain neighborhood support for our developments. We have worked in a wide variety of communities that have been both supportive of and resistant to the development of affordable housing in their neighborhoods. Eden works closely with local organizations to identify important stakeholders and reach out to them to generate feedback and support for our developments. Our focus has always been to engage the community and respond to their needs and concerns. We truly believe that this results in a better development and creates a positive dialogue with the community which benefits the project and the community in the long term.

Local Experience:

Eden has been working in San Jose since 1995 with the development of Catalonia Apartments and has a significant presence in City, where Eden has developed or co-developed 12 properties and currently manages over 800 units.

The attached qualifications describe in detail our concept for the site, experience, and capabilities. Any questions concerning this proposal can be directed to Andrea Osgood, Director of Real Estate Development, at (510) 247-8103.

Thank you for the opportunity to submit our proposal for this exciting opportunity.

City of San Jose

Gallup & Mesa Development

Submitted by:

Eden Housing

January 20, 2017



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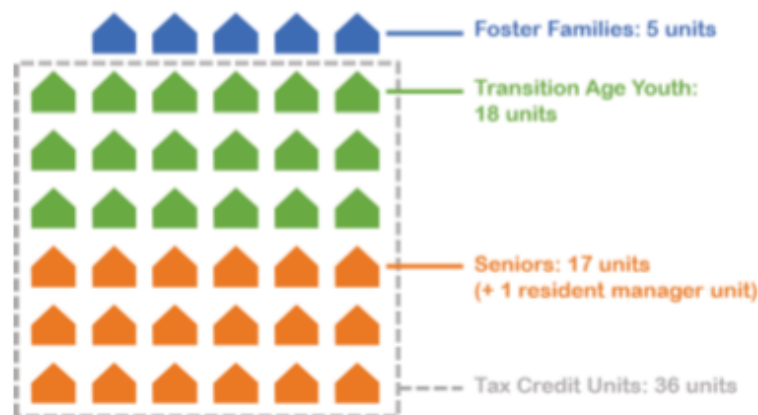
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1. Executive Summary

Eden Housing's vision for the site at Gallup and Mesa is a lively re-imagination of a vibrant and inclusive intergenerational community that welcomes seniors, transition age youth, and foster families. Its innovative management and services plan focuses on developing a sense of community around mentorship and healthy living through a commitment to resident engagement. At the heart of the development is an indoor/outdoor community space that will be open to the greater community and provides a variety of high quality spaces for meaningful interaction, mentorship, and programming, including job training, education programs, and services to help ensure our residents succeed.

Our proposal includes 41 affordable rental units in an assortment of bedroom sizes, as well as 3,000 square feet of common space in an indoor community room which flows into an outdoor courtyard. The design features contemporary California architecture that is compatible with the neighboring area through the use of modern wood, stucco, and glass building elements and complementary landscaping design. The indoor community room and outdoor courtyard are highly adaptable spaces that can be configured in multiple ways for socialization, learning/teaching, and relaxation.

Due in large part to San Jose's successes in attracting thriving businesses and a strong workforce, market rental rates have increased and can be difficult for vulnerable populations to afford. Therefore, in this excellent location near neighborhood amenities and a range of transportation options, we propose affordable homes for seniors, foster families, and transition age youth (TAY), as diagrammed below, in a development that realizes the City's vision for an intergenerational community.



We envision an affordable housing development for seniors, transition age youth and foster families, which effectively responds to the City's housing need. By fostering a sense of community and resident engagement, the development seeks to empower its residents and conscientiously tap into the benefits of living in an intergenerational community.



MEMORANDUM

To: Eden Housing Inc., Finance Committee, Board of Directors
From: Susie Criscimagna, Senior Project Developer
Re: Gallup and Mesa Apartments
Date: September 21, 2017

In April 2017, Eden was selected by the City of San Jose through a competitive Request for Proposal (RFP) process to develop a 0.4 acre site in San Jose, CA owned by the City. The proposed project is a 41-unit building comprised of studios, one bedroom, two bedroom, and three bedroom units. The project will serve an intergenerational community of seniors, transition aged youth ("TAY"; TAY are youth transitioning out of foster care), and foster families. The Bill Wilson Center, a community non-profit, is partnering with Eden to provide resident services to the TAY and foster families.

The site is in the Hoffman/Via Monte neighborhood of southern San Jose, within a few miles of several Eden properties, including Ohlone Chynoweth Commons, Hillview Glen, Catalonia, and Cambrian Center. The site is located at the interface of residential and commercial areas, adjacent to single family homes, a church, and a shopping center. The site is within a few blocks of a bus stop, grocery stores, banks, retail stores, and several other neighborhood amenities.

We have been exploring entitlement feasibility, financial feasibility, and program alternatives, and held a community meeting. The City has approved entering into an Exclusive Negotiating Agreement, as well as a \$200,000 predevelopment loan.

Previous Board of Directors Approval

On August 11, 2017, the Executive Committee approved the following:

1. Approve the Exclusive Negotiating Agreement (ENA) between Eden Housing, Inc. and the City of San Jose, and authorize execution of the ENA.
2. Approve a predevelopment loan from the City of San Jose to Eden Housing, Inc. in the amount of \$200,000, and authorize execution of all documents necessary to close the financing.

Status update: We are wrapping up the negotiation of the language in the documents, and they are expected to be executed by the end of this month (September 2017).

Action Requested

Staff requests approval to:

1. Spend up to \$100,000 for predevelopment expenses from Eden predevelopment sources.

Note: The \$200,000 Predevelopment Loan from the City of San Jose will be expended first, but the Eden funds will be used to pay invoices as they come in since the City's loan is disbursed on a reimbursement basis. Once the City's loan is fully disbursed, the Eden loan will be used for subsequent predevelopment expenses.

Predevelopment Financing Summary

Predevelopment Loan from City of San Jose

The City of San Jose has already approved a \$200,000 predevelopment loan, to be disbursed on a reimbursement basis. The purpose of the loan is to pay for work related to due diligence, architecture and engineering, and city application fees. The loan is recourse and also secured by the work paid for with these funds. The loan term is 2 years, terminating on September 29, 2019, with a 24-month extension at the discretion of the City. We expect to execute the loan documents by the end of the month (September 2017).

Predevelopment Expenses

In addition to the \$200,000 predevelopment loan from the City of San Jose, staff is seeking an additional allocation of \$100,000 from Eden predevelopment funds. The Eden funds will be used to pay invoices as they come in since the City's predevelopment loan is disbursed on a reimbursement basis. Once the \$200,000 City loan is fully disbursed, the \$100,000 Eden loan will be used for additional predevelopment expenses, bringing the total predevelopment budget for this project to \$300,000.

Predevelopment expenses that the City and Eden predevelopment funds will be used for include: architecture and engineering, due diligence investigations, environmental, CEQA/NEPA, financial consultant, legal, and city application costs necessary to obtain city approvals and entitlements for the project.

Predevelopment Budget

Category	Expenses	Budget
Design and Consulting		
	Architecture & Engineering	120,000
	Other Engineering - Civil	20,000
	Other Engineering - Geotech	8,000
	Other Engineering - Joint Trench	0
	Environmental	7,000
	CEQA study and reports	80,000
	NEPA	15,000
Indirect Costs		
	Permits and fees	30,000
	Appraisal	0
	Market study	0
Finance and Syndication Costs		
	TCAC Application fee	0
	TCAC Allocation/Reservation fee	0
	TCAC Performance Deposit	0
	Financial consultant	5,000
Contingency		
	Soft cost contingency	15,000
TOTAL		300,000