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# REQUEST FOR PROPOSALS

**FOR QUALIFIED TEAMS TO APPLY AS CO-APPLICANT WITH SAN MATEO COUNTY  
FOR HOMEKEY+ FUNDING  
TO DEVELOP, MANAGE AND OPERATE PERMANENT SUPPORTIVE HOUSING  
AT SITES IDENTIFIED BY COUNTY AND/OR PROPOSED BY APPLICANT**

**Release Date: January 15, 2025**

**Team Applications must be received by 4:00 p.m. Pacific Time on February 5, 2025**

**Supplemental Applications must be received by 4:00 p.m. Pacific Time on February 12, 2025**

**RFP Responses must be uploaded to DropBox with an email notification sent to DOH.**

***Note regarding the California Public Records Act:***

Government Code Section 6250 et seq., the California Public Records Act (PRA), defines a public record as any writing containing information relating to the conduct of the public business. The PRA provides that public records shall be disclosed upon written request and that any citizen has a right to inspect any public record unless the document is exempted from disclosure.

Be advised that any contract that eventually arises from this Request for Proposals is a public record in its entirety. Also, all information submitted in response to this Request for Proposals is itself a public record ***without exception***. Submission of any materials in response to this Request for Proposals constitutes a waiver by the submitting party of any claim that the information is protected from disclosure. By submitting materials, (1) you are consenting to release of such materials by San Mateo County ("County") including its Department of Housing ("DOH") if requested under the Public Records Act without further notice to you and (2) you agree to indemnify and hold harmless the County and DOH for release of such information.

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## I. EXECUTIVE SUMMARY

On behalf of the County of San Mateo (“County”), the County’s Department of Housing (“DOH”) intends to apply for state Homekey+ funding for one or more sites approved by the County (“Opportunity Sites”) to be developed, managed, and operated as permanent supportive housing for individuals or households that include a person who is experiencing a Behavioral Health Challenge<sup>1</sup> and is experiencing or at risk of homelessness (the “Target Population”). Through this Request for Proposals (RFP), DOH seeks to identify qualified teams (“Teams”, as further defined below) to co-apply for Homekey+ funding with the County and to support the County in the investigation, development, and operation of Opportunity Sites for permanent supportive housing. Teams may apply to qualify for one or both of the following roles:

- Co-applicant for Homekey+ funding for the development, management and operation of a County-identified Opportunity Site as permanent supportive housing for the Target Population, if a site is found to be feasible, as determined by the County. (Concurrently with this RFP, the County is assessing the feasibility of County-identified Opportunity Sites for Homekey+ funding.)
- Co-applicant for Homekey+ funding for the development, management and operation of an Opportunity Site proposed by the Team and approved by the County, as permanent supportive housing for the Target Population.

For purposes of this RFP, a Team is defined as one or more entities (which entities may be nonprofit corporations, for-profit corporations, limited liability companies (LLC), and/or limited partnerships (LP)) that together have the capacity to develop, manage, and provide supportive services for an Opportunity Site proposed to be developed as permanent supportive housing. Teams must demonstrate the ability with **immediately available, qualified personnel** to:

- Support the County as co-applicant in completing a successful Homekey+ application in a timely manner, consistent with Homekey+ timelines.
- Manage the acquisition, rehabilitation, construction, and financing of properties that may have unknown conditions within a limited budget and on an accelerated construction schedule.
- Manage the property and provide on-site supportive services that enhance the housing stability of individuals or households that include a person who is experiencing a Behavioral Health Challenge and is experiencing or is at risk of homelessness.
- Satisfy all applicable Homekey+ requirements for co-applicants.

The state’s Homekey+ Notice Of Funding Availability (“NOFA”) imposes significant scheduling and budgeting constraints that will eliminate from consideration many potential Opportunity Sites that cannot be developed within such limitations. Based on the requirements of the Homekey+ NOFA, the County specifies in this RFP threshold requirements and competitive scoring criteria that will govern the County’s review of proposals.

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<sup>1</sup> Behavioral Health Challenge is defined in the California Welfare and Institutions Code Section 5965.02 to include but not be limited to a serious mental illness, as described in subdivision (c) or (d) of Section 14184.402, or a substance use disorder, as described in Section 5891.5.

Applications in response to this RFP must be submitted to the County by sending an email to Maryann Sargent at [msargent@smchousing.org](mailto:msargent@smchousing.org) not later than 4 pm on the following dates. The email must include:

- 1) A brief email summarizing the applicant and other relevant application details,
- 2) Information on how DOH will access the application via Dropbox,
- 3) For **Team Applications**, Form Application Part A, and all required and, where applicable, optional attachments, as further specified in this RFP;
- 4) For **Supplemental Applications**, Form Application Part B (only if proposing (a) Opportunity Site(s)) and all required and, where applicable, optional attachments, as further specified in this RFP.

**Team Applications** must be received by 4:00 p.m. Pacific Time on **February 5, 2025**.

**Supplemental Applications** must be received by 4:00 p.m. Pacific Time on **February 12, 2025**.

## II. RFP TIMELINE, PROCESS AND APPLICATION REQUIREMENTS

**Table 1: RFP Timeline**

November 26, 2024	State Homekey+ NOFA released.
January 15, 2025	San Mateo County RFP released.
January 22, 2025, at 11AM	RFP Technical Assistance (TA) Session Zoom Link posted at <a href="https://www.smcgov.org/housing/homekeyplus-rfp">https://www.smcgov.org/housing/homekeyplus-rfp</a>
January 31, 2025	Mandatory individual pre-application meetings.
February 5, 2025, by 4 pm	Deadline for <b>Applications from Organizations</b> --Proposals due to County DOH by emailing the Dropbox link and access information to Maryann Sargent at: <a href="mailto:msargent@smchousing.org">msargent@smchousing.org</a>
February 10, 2025, by 4pm	Deadline for <b>Organization’s Supplemental Application</b> for Opportunity Sites—Supplemental Applications due to County DOH by emailing the Dropbox link and access information to Maryann Sargent at: <a href="mailto:msargent@smchousing.org">msargent@smchousing.org</a>
February 21, 2025	DOH invites one or more qualified Teams to negotiate a Memorandum of Understanding (MOU) with the intent to develop a Homekey+ application for a specific County-approved Opportunity Site (either identified by the County or proposed-by the Team and accepted-by the County).
March 25, 2025	San Mateo County Board of Supervisors meeting where DOH staff will propose and request approval of application(s) to the Homekey+ Program, and if available, approval of an Enforceable Funding Commitment.
Expected April 2025 and following on a rolling basis until May 30, 2025.	DOH submits one or more Homekey+ applications with one or more qualified Teams for County-approved Opportunity Sites for HCD Homekey+ funding

Teams are strongly encouraged to attend a TA Session via video conference, scheduled for **January 22, 2025 at 11a.m.** – link to the video conference will be posted at <https://www.smcgov.org/housing/homekeyplus-rfp>. DOH staff will review the application requirements and answer questions.

**A pre-application meeting between RFP interested respondents and DOH staff is required** and may be scheduled by sending an email to Jessica Chambers at [jchambers@smcgov.org](mailto:jchambers@smcgov.org). **January 31, 2025** is the date that has been set-aside to conduct these meetings.

Applicants may submit written questions by email to Maryann Sargent at [msargent@smcgov.org](mailto:msargent@smcgov.org). All Questions and Answers will be posted on the above-noted website and will be updated regularly.

Applications to demonstrate the qualifications of co-applicant Teams must be submitted by **February 5, 2025, by 4 pm**. Teams are encouraged but not required to propose an Opportunity Site using the Supplemental Application by **February 10, 2025, by 4pm**. Qualified Teams that have been invited to negotiate an MOU will be notified after **February 21, 2025**. Teams who have been invited to become a co-applicant may continue to propose Opportunity Sites to the County on a rolling basis until the County determines, in its sole discretion, that there is not sufficient time or matching funds remaining to support any further Homekey+ applications to the state.

The County makes no funding commitment from the County's qualification of the Team or selection of an Opportunity Site for further investigation. The County will negotiate with the selected Team(s) to agree on a memorandum of understanding to govern their agreement to co-apply for Homekey+ funding and their respective roles and responsibilities for development, property management and supportive services for a specific selected Opportunity Site, subject to an award of Homekey+ funding and Board approvals. Teams must be able to commit immediately available qualified personnel to work with the County on a Homekey+ application without assurance that a proposed Opportunity Site will move forward or will be selected by the state for Homekey+ funding or that the Team will be compensated for its time.

Each Team's application in response to this RFP shall include:

- A **Cover Letter** which names (a) each organizational member of the Team, their role, their address and website, and the lead responsible person representing that organization on the application; (b) the name and address (and current website if available) of each Opportunity Site proposed in the application (if any); and (c) the name, title, organization, email and telephone contact information of one individual authorized to communicate with the County about the proposal on behalf of the entire Team. The letter should state the Team's interest in negotiating the terms of developing, managing, and providing supportive services to (i) a County-identified Opportunity Site; (ii) an Opportunity Site proposed in the Team's application (if any); and (iii) whether the Team is working on other sites that it may propose as an Opportunity Site at a later date and the status of such other sites.
- **Part A** of the Application (attached as a fillable PDF form and incorporated by reference) setting forth required information about the **Team's qualifications, as well as required and, where applicable, optional attachments**.
- **If a Team is proposing an Opportunity Site, Part B** of the Application (attached as a fillable PDF form and incorporated by reference) setting forth required information about an **Opportunity Site proposed by the Team for development as permanent supportive housing, as well as required and optional attachments**. Applicants may submit Part B of the Application template for more than one Opportunity Site but are encouraged to use available time and resources to develop the most thorough investigation and presentation of a single Opportunity Site.
- **All attachments checked in the Part A checklist and, if applicable, the Part B checklist**, with attachments in order and identified by the corresponding number and name on the completed attachment checklist. There is no page limit on Application Attachments, but Attachments must be clearly identified to correspond with the number and name checked in the checklist. A Team's application will be considered incomplete if it does not include all required Attachments or if Attachments are not clearly labelled with the identifying number and name.

The County reserves the right, at any time before or after qualifying one or more co-applicant Teams or entering negotiations for an Opportunity Site, to decide, in its sole discretion not to respond to the state’s Homekey+ NOFA with a specific Team, for a specific Opportunity Site, or at all. By submitting a response to this RFP, Teams accept the risk of not being compensated for their work to negotiate an agreement with the County, to investigate an Opportunity Site, or to assemble a response to the state’s Homekey+ NOFA.

### III. COUNTY PLANS, CURRENT HOMEKEY PROJECTS AND OBJECTIVES OF THIS RFP

#### County’s Homekey Projects

San Mateo County is pursuing a Strategic Plan to End Homelessness and aims to make the experience of homelessness in San Mateo County rare, brief and non-recurring. The plan is available at <https://www.smcgov.org/hsa/center-homelessness>. A primary element of the County’s plan is to increase the supply of permanent supportive housing for people experiencing homelessness and at-risk of homelessness with supportive service needs.

To implement its plan, the County in 2021, 2022 and 2023 successfully pursued funding under the state’s Homekey 1.0 NOFA, Homekey 2.0 NOFA, Homekey 3.0 NOFA, and other federal and state funding programs to develop:

- Four non-congregate shelter (NCS) sites as interim housing with onsite supportive services, offering a private room and bath to each resident without a lease and without charging rent;
- Three permanent supportive housing (PSH) sites renting apartments that include both a bathroom and kitchenette with onsite supportive services.

These projects are summarized in Table 2 below:

**Table 2: List of San Mateo County Homekey Projects**

Project	Formerly Known As	Location	Housing Type	# of Units
Pacific Shelter	Pacific Inn	Redwood City	NCS to convert to PSH	75
Coast House	Coastside Inn	Half Moon Bay	NCS	52
Shores Landing	TownPlace Suites	Redwood City	PSH	95
El Camino House	Stone Villa Inn	San Mateo	NCS to convert to PSH	44
Casa Esperanza	Comfort Inn	Redwood City	PSH	52
Navigation Center	NA (Modular new construction)	Redwood City	NCS	240
721 Airport Blvd	Ramada Inn	South San Francisco	PSH	45
<b>Total NCS units</b>				411 (119 planned to convert to PSH)



<b>Total PSH units</b>	192
<b>Grand Total</b>	603

Six of the seven sites have been hotel/motel conversions, and the largest Homekey site, the Navigation Center, has incorporated modular construction to meet the demanding Homekey scheduling requirements. The County has completed construction and occupied its hotel/motel conversion projects within 12 months of acquiring the property. In the four NCS sites, the County acted as the sole applicant and developer and subcontracted for property management and supportive services. For the three PSH sites, the County contracted with an affordable housing developer to renovate the property and assemble and manage a team that included a property manager and a specialized homelessness service provider with plans to transfer ownership of the property through a long-term ground lease to the developer.

**Objectives of this RFP**

The County seeks to apply for state Homekey+ funding with one or more qualified Teams, each of whom will develop, manage and provide supportive services for the Target Population at one or more new Opportunity Sites approved by the County for development as permanent supportive housing, together with such matching funds as may be authorized by the County’s Board or Supervisors. The County’s Behavioral Health Recovery Services Department (“BHRS”) will also be a critical partner in providing ongoing supportive services for clients that are referred to the Opportunity Sites.

The County seeks to increase the number of Opportunity Sites under consideration for Homekey+ funding and thus encourages applications from developers with specific Opportunity Sites to propose to the County for development, as well as from developers who have not yet identified any Opportunity Sites but would like to act as co-applicant of an Opportunity Site to be identified by San Mateo County.

Through this RFP, the County seeks to develop a robust pipeline of Opportunity Sites to house people experiencing homelessness or at risk of homelessness, taking advantage of the County’s available matching funds.

**IV. STATE HOMEKEY+ PROGRAM GUIDELINES**

The State Homekey+ NOFA can be found here: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/homekey/hk-plus-nofa-2024.pdf>. The San Francisco Bay Area’s allocation of Homekey+ funds is approximately \$300 million, and the County expects that the pool of applications for this funding will be highly competitive. The \$300 million does not include the additional funding set-aside in the NOFA for youth, rural, and discretionary reserves. The County urges applicants to thoroughly review the Homekey+ NOFA released by the State.

The authorizing State legislation for the Homekey+ NOFA provides an exemption pathway from the California Environmental Quality Act (CEQA) for Homekey+ projects as set forth in AB 531 (2023-2024 Regular Session). Additionally, Health and Safety Code (HSC) section 50675.1.3, subdivision (i), includes provisions for Homekey+ projects to be considered a use by right and subject to a streamlined, ministerial review process for land-use consistency and conformity. The County encourages all applicant Teams to become familiar with these laws while assembling their applications.

State Homekey+ funds must be used to provide permanent supportive housing (for a minimum term of 55 years) for the Target Population, i.e., individuals or households including a person who is experiencing a Behavioral Health Challenge and experiencing or at risk of homelessness. Through this RFP, the County is *only* seeking Opportunity Sites that are feasible to develop as permanent supportive housing. Please be advised that interim housing is not an eligible use of Homekey+ funds.

The County’s Homekey experience to date has primarily been in acquiring and rehabilitating vacant motels and hotels for conversion to housing, but the County welcomes proposals from qualified Teams for other eligible uses of Homekey funds. Eligible uses of Homekey+ funds include:

- **Acquisition with or without rehabilitation** of motels, hotels, hostels, apartments or homes, assisted living residences, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to permanent supportive housing.
- **Master leasing** of properties for permanent supportive housing.
- **Conversion** of units from nonresidential to residential permanent supportive housing (i.e. adaptive reuse) and conversion of interim housing to permanent supportive housing.
- **New construction** of dwelling units.
- The purchase of **affordability covenants** and restrictions for units.
- **Relocation costs** for individuals who are being displaced as a result of the Homekey+ project.
- **Capitalized operating subsidies** for Homekey+ units purchased, converted, constructed, or altered.

Please refer to Sections 201 and 202 of the State Homekey+ NOFA for more details on eligible projects and uses for Homekey+ funds.

Homekey+ assisted units must house the Target Population. Leases are required for permanent supportive housing units, and the County expects to base rent for Homekey+ assisted units on affordability at 30% of Area Median Income, using the Multi-Family Tax Subsidy Program (MTSP) Regular Income and Rent Limits as described in Tables 3 and 4:

**Table 3: San Mateo County Multi-Family Tax Subsidy Program Income Limits**

San Mateo County 2024 MTSP Regular Income Limits Effective Date: June 1, 2024					
Household (HH) Size	1 person	2 persons	3 persons	4 persons	5 persons
<b>30% AMI Income Limit</b>	\$41,150	\$47,000	\$52,900	\$58,750	\$63,450

**Table 4: San Mateo County Multi-Family Tax Subsidy Program Rent Limits**

San Mateo County 2024 MTSP Regular Rent Limits (gross rent including utility allowance) Effective Date: June 1, 2024					
Bedroom Size	SRO	0 BR	1 BR	2 BR	3 BR
<b>30% AMI Rent Limit</b>	\$771	\$1,028	\$1,101	\$1,322	\$1,527

Because households experiencing or at risk of homelessness typically have incomes well below Homekey+ income limits, the County seeks to identify appropriate sources of County matching funds that will enable Opportunity Sites to underwrite rent to a lower Area Median Income (“AMI”) or to 30% of the tenant’s actual estimated household income. Opportunity Sites may also include non-Homekey+ funded units with rent affordable to households up to 50% or 60% of Area Median Income to help promote long-term financial feasibility. However, the non-Homekey+ units will not be eligible for Homekey+ funding.

The state’s Homekey+ program imposes demanding scheduling and budgeting limits which applicant Teams must carefully consider before proposing Opportunity Sites for the County’s consideration, including:

- Evidence of site control is required as a condition of submitting a proposal to the state Homekey+ program. Please see Sections 300 and 305 of the State Homekey+ NOFA for acceptable site control documents.
- All new construction projects awarded must commence construction within 6 months, starting 60 days after the Homekey+ Award, and have a temporary certificate of occupancy (TCO) no later than 24 months, starting 60 days from the date of Award New Construction. Project must be fully funded and ready to proceed following a Homekey+ award.
- All other project types awarded must commence construction within 6 months, starting 60 days after the Homekey+ Award, and have a temporary certificate of occupancy (TCO) no later than 12 months, starting 60 days from the date of Award New Construction. Project must be fully funded and ready to proceed following a Homekey+ award.
- Full occupancy must be achieved within 90 days of completing construction.
- Homekey+ capital funding is tiered according to the Applicant’s matching contribution with a baseline Homekey+ contribution of \$200,000/door up to a maximum of \$300,000/door for a capital funding match of \$100,000/door by the County. (Note that the source and amount of any County matching funds are still to be determined.)
- Homekey+ may provide an operating subsidy award from two years up to five years maximum in the amount of \$1,400/door/month and depending on the total match in funds by the applicant.
- Homekey+ provides operating subsidy bonuses for early application submittals and expedited occupancy, but the County does not expect to qualify for those bonuses.
- Total Development Costs per unit caps will be the lesser of: \$450,000 per unit, OR the 2024 TCAC Basis Limits for San Mateo County. The TDC per unit cap is inclusive of the Homekey+ Award and all other capital sources and expenditures, with the exceptions of land costs, COSRs, and other required reserves.

A qualified Team will prepare drafts of relevant Homekey+ application materials in collaboration with the County, and when approved, the County will finalize, upload, and submit the application through the Homekey+ portal. If the County’s Homekey+ application is selected for an award, the State will execute a Standard Agreement with the County and Team/Co-Applicant(s). The County’s Department of Housing will serve as the main point of contact with the state Homekey+ program including the application(s), award(s), and reporting.

The State requires the County to accept the Homekey+ funding as a recoverable grant and record an affordability covenant approved by the State against the Opportunity Site that will restrict rents and

occupancy and enforce other Homekey+ requirements. **This affordability covenant must be in a first lien position and the minimum term is 55-years for permanent affordable housing projects.**

For County-owned Opportunity Sites, the County expects to enter into a 55-year Ground Lease with the developer member of the Team, subject to approval by the County's Board of Supervisors and the state Homekey+ program. County-owned sites may be able to use the County Building Department to issue any required building permits, but other properties that require city building permits must allow adequate time to secure required building permits.

The County will determine, in accordance with any applicable requirements, how County matching funds from non-Homekey+ sources (both local and federal) for capital uses and for Capitalized Operating Subsidy Reserves will be secured against the property. The County expects that any such matching funds will be provided to the relevant Team member in the form of a loan, with the repayment obligations evidenced by a promissory note payable from residual receipts, secured by a deed of trust and a regulatory agreement restricting the use and occupancy of the site which shall be subordinate to the state Homekey+ program's affordability covenant, which must be in a first lien position.

Teams may access CEQA and land use streamlining tools included in the State Homekey+ NOFA provided that the County expects Teams to seek legal counsel in applying the exemptions and complying with any obligations to specific Opportunity Sites. Teams will also be responsible for compliance with the applicable Skilled and Trained Workforce and Prevailing Wage requirements of the Homekey+ program.

Teams may propose development budgets for Opportunity Sites that include a reasonable developer fee as allowable under the Homekey+ program guidelines. Developer fees may be lower for Opportunity Sites that require moderate rehabilitation, at the County's sole discretion. The amount and timing of a developer fee is subject to negotiation with the County based on the specific issues raised by an individual Opportunity Site and other factors in the County's discretion.

## V. POTENTIAL COUNTY CAPITAL AND OPERATING SUBSIDY MATCHING SOURCES

The County has identified possible local, state and federal funding sources for operating and capital uses that may be awarded as a County match for Homekey+ funding awarded to selected Opportunity Sites depending on the scoring of each proposal, each Opportunity Site's fit with the specific financing program requirements, and any required Board of Supervisors' approval or state Homekey+ waivers. The County's proposed sources of matching funds are finite and therefore are a limiting factor for the total number of Homekey+ applications the County will submit. For this reason, proposals submitted in response to this RFP that propose to leverage the more restrictive federal financing programs as a matching resource may be scored more favorably than proposals that do not.

**Capital Subsidy:** Assuming the Homekey+ tiers from \$200,000 up to \$300,000/door, and a County Homekey+ capital match of up to \$100,000+/door, **the total minimum capital funding** (both state Homekey+ and County) is expected to be **about \$400,000+ per "door" but with a maximum state grant of \$10 million for Single Family Scattered Site Projects and \$35 million for all other proposed projects.** (County funding for a Capitalized Operating Subsidy Reserve will not be counted in evaluating the request for County capital subsidy but will be counted in evaluating the request for County operating subsidy funds.) Proposed Opportunity Sites that are feasible with this minimum capital subsidy award

will have a competitive advantage in the County’s screening of Opportunity Sites to submit for state Homekey+ funding. Proposals for Opportunity Sites may request a higher amount of County capital subsidy/door, but **not greater than a total estimated cost of \$450,000/door** (including both state Homekey+ and County matching funds). Teams should research the limitations and requirements of each County matching source and, in proposing specific Opportunity Sites for County consideration, may also propose other matching sources that may be feasible. Each of the County’s possible capital subsidy matching sources is summarized below, but applicants are urged to read the program regulations and guidelines for each funding source to verify that the funding source is feasible for the specific Opportunity Site proposed by the Team:

- **HOME:** The County may award HOME funds for permanent supportive housing units selected under this RFP. HOME funds may be used for acquisition, new construction or rehabilitation costs. HOME-funded rental units must be affordable to households between 30% of AMI and 60% AMI (HOME Limit). HOME is subject to NEPA requirements and other federal requirements. To learn more about HOME, consult HUD’s HOME regulations at 24 CFR Part 92.
- **CDBG:** The County may award CDBG funds for permanent supportive housing selected under this RFP. CDBG funds may be used for acquisition, demolition and clearance of feasible sites or for rehabilitation for permanent supportive housing if the housing benefits low and moderate-income persons. However, CDBG funds may not be used for new construction of affordable housing. CDBG is subject to NEPA requirements and other federal requirements.
- **Behavioral Health Services Act (BHSA):** San Mateo County Behavioral Health and Recovery Services (“BHRS”) and DOH may collaborate to propose Mental Health Services Act /BHSA funding as a local matching source for the creation of Homekey+ permanent affordable rental units for the Target Population. Eligible uses are likely to include acquisition, new construction, rehabilitation, and predevelopment costs. BHSA rents must be affordable to households with incomes of 30% of Area Median Income or lower.
- **Measure K:** Measure K funds may be used for acquisition, construction, and rehabilitation of affordable rental housing, including a Opportunity Site to be developed as permanent supportive housing. Measure K funds are generated from the County’s sales tax and are subject to County requirements.

**Operating Subsidy:** Homekey+ can provide up to four years of capitalized operating subsidy at a rate of \$1,400/unit/month for any project in which the County pledges a 1:1 match in operating subsidy for up to four years. Proposed Opportunity Sites that are feasible with the lowest amount of County four-year operating subsidy will have a competitive advantage in scoring under this RFP.

Teams should research the limitations and requirements of each operating subsidy source proposed by the County and in their applications should specifically propose the operating subsidy matching sources their Opportunity Sites would propose to use. Applicants are urged to read the program regulations and guidelines for each funding source to verify that the funding source is feasible for the specific project proposal:

- **HOME:** HOME funds can be used to create a Capitalized Operating Subsidy Reserve (COSR).

- **County Housing Voucher Program:** The County may make available a limited number of county-funded rental subsidies for studio and one-bedroom Homekey+ units targeted to Extremely Low-Income households experiencing homelessness. The subsidy will be a fixed per unit monthly subsidy set to the 60% AMI rent limits published annually by the California Tax Credit Allocation Committee (TCAC). Units receiving a county-funded rental subsidy must have access to high-quality intensive supportive services. Households will contribute no more than 30% of their gross income for rent and utilities. These funds are provided for a term of fifteen years subject to biennial appropriation by the Board of Supervisors.
  - **BHSA:** BHSA matching funds may be used to create a COSR for BHSA units to enable rents to be affordable to eligible households based on 30% of actual household income. The use of BHSA funds for Homekey+ units may require a state Homekey+ waiver to permit referrals of eligible households from BHRS instead of through the Coordinated Entry System.
- Measure K:** Measure K funds can be used to fund a COSR.

**Applicants should not assume the availability of Project-Based Vouchers from the Housing Authority of San Mateo County (HACSM).**

Applicants are encouraged to identify and propose other feasible sources of operating or supportive services funding not identified by the County in this RFP.

**Opportunity Sites that use certain federal funding sources as a match will be required to comply with federal requirements, including but not limited to:**

- Section 3 of the U.S. Housing Act of 1968, as amended.
- Equal Opportunity and related requirements in 24 CFR Section 982.53
- Section 504 of the Rehabilitation Act of 1973
- Americans with Disabilities Act of 1990
- Architectural Barriers Act of 1968
- Fair Housing Act of 1988
- Violence against Women Act (VAWA)
- Davis-Bacon prevailing wages (if greater than state prevailing wages required by Homekey+)
- National Environmental Protection Act (NEPA) (**PLEASE NOTE:** If NEPA applies, Teams must refrain from certain “choice-limiting activities” prior to NEPA review and must hire a qualified NEPA consultant to prepare the required NEPA documents for the County’s review).

In addition, County funding terms require compliance with MBE/WBE, Fair Housing, ADA, Section 504 and VAWA even if federal funds are not used.

**VI. REVIEW STANDARDS FOR TEAMS**

The County will apply the threshold requirements outlined in Part VI.A below to identify Teams qualified to support the County’s Homekey+ applications and will score Teams that meet these threshold requirements using the criteria and points summarized in Part VI.B below.

**A. Threshold Requirements for Teams**

**As more fully described in the Application, each applicant Team must meet all of the following threshold requirements in order to qualify as a Team:**

**1. Three areas of Organizational Capacity:** Each Team must demonstrate the required threshold experience in **all three** areas of Homekey+ capacity (development, property management and supportive services). This may be satisfied by one, two or three organizations as long as the threshold experience requirement is fully satisfied in all three areas of required capacity.

**2. Executed Memorandum of Understanding Among Team Members:** Each Team must submit an **executed Memorandum of Understanding** (“MOU”) showing the agreement of each organization within the Team to (i) play the role proposed in the completed Homekey+ Application, (ii) coordinate activities with the lead organization and with the County (evidence of this coordination is a Homekey+ threshold requirement), and (iii) accept the required acknowledgements and agreements in Section VIII of this RFP. If a Team consists of subsidiaries or affiliates of a single organization, it must nonetheless submit an executed MOU with such affiliates that includes the required terms. Each signatory of this MOU must provide a duly executed resolution from their governing board that affirms support of the application to this RFP and to the Homekey+ program. If a Team consists of a single organization without affiliates or subsidiaries, the applicant must submit a duly executed resolution from their governing board that affirms support of the application to this RFP and to the Homekey+ program.

**3. Organizational Good Standing:** Each organizational member of the Team must meet Homekey+ requirements for organizational, legal, and financial **good standing** and the application must include the attachments required to demonstrate organizational good standing as specified in the Homekey+ NOFA.

**4. Development Capacity:** The development capacity of the Team must be evidenced by (i) the necessary track record of permanent supportive housing development projects as specified in the Homekey+ NOFA, (ii) immediately available qualified staff capacity and (iii) demonstrated experience of serving the Target Population and implementing Housing First principles.

**5. Property Management Capacity:** The property management capacity of the team must be evidenced by (i) the necessary track record in managing permanent supportive housing developments as specified in the Homekey+ NOFA; (ii) immediately available qualified staff capacity, and (iii) demonstrated experience of serving people with behavioral health challenges experiencing homelessness and implementing Housing First principles.

**6. Supportive Services Capacity:** The supportive service capacity of the Team must be evidenced by (i) the necessary track record and years of experience helping persons address barriers to housing stability and providing other support services as specified in the Homekey+ NOFA; (ii) immediately available qualified staff capacity, and (iii) demonstrated experience of serving the Target Population and implementing Housing First principles.

## B. Competitive Scoring of Teams that Meet Threshold Requirements

**Proposals that meet the threshold requirements to qualify as a Team will be scored using the following criteria:**

Up to 15 Points: The organizational members of the Team have **previously collaborated** to create, manage, and provide services to people experiencing homelessness at one or more affordable housing sites.

Up to 15 Points: The Team includes one or more members with a track record of developing, managing, or providing supportive services at one or more **permanent supportive housing properties**.

Up to 10 Points: The Team includes one or more members with a track record of developing, managing, or providing supportive services specifically at one or more **Homekey sites**.

Up to 10 points: The Team includes both property management and supportive services experience at income-restricted affordable housing property with some units for people experiencing homelessness filled by **referrals from the Coordinated Entry System**.

Up to 15 points: The Team includes a developer with experience in acquiring **other non-multi-family housing buildings**, such as hotels, motels, offices, warehouses, nursing homes, etc. and converting their use to housing, or with experience completing new construction projects on timing and cost constraints in line with those outlined in the state's Homekey+ NOFA.

Up to 10 points: The Team includes a developer with experience developing affordable housing projects using CDBG, HOME, and other **federal housing finance programs requiring compliance with NEPA and other federal requirements**.

Up to 25 points: The Team completes Part B of the Application with required attachments and **submits an Opportunity Site** for consideration that meets the threshold requirements for Opportunity Sites specified in Part VII.A. **NOTE: Teams are not required to propose a Opportunity Site but doing so will make an application more competitive through eligibility for additional points under this criteria.**

## VII. REVIEW STANDARDS FOR HOMEKEY+ OPPORTUNITY SITES

### A. Threshold Requirements for Proposed Homekey+ Opportunity Sites

Teams are not required to submit an Opportunity Site for consideration by the County. If an Opportunity Site is proposed, the County will use the Homekey+ NOFA and associated guidance and the following standards to assess whether a proposed Opportunity Site meets threshold requirements and thus qualifies the co-applicant Team to receive additional points as a co-applicant Team. Although these requirements assume that the Opportunity Site is a hotel/motel property, other property types eligible for Homekey+ funding may be proposed by adapting any stated requirements as appropriate and in the County's sole discretion.

#### 1. LOCATION:

- Permanent supportive housing sites (rental units with kitchens or kitchenettes that meet TCAC standards) are needed in all parts of the County.
- Sites must be convenient to shopping, healthcare, and other services and is able to score if not all then most of the 40 points under the Site Selection scoring category in the State Homekey+ NOFA.
- The intended use of the Opportunity Site is a permitted use within the zone in which the structure is located, is not subject to any conditional use permit, discretionary permit or other discretionary reviews and approvals, and is not subject to CEQA.
- The site is not in a FEMA flood zone, in an area affected by airport noise, or in an area with known geological hazards, including rupture, liquefaction and landslides.

#### 2. PHYSICAL CONDITION:

- The property was built before January 1, 2008, and can be converted to residential without requiring an upgrade of the entire structure to current code.



- When renovated, the property will be equipped with quick-response fire sprinklers, fire alarms, and fire separation walls that meet minimum rating requirements.
- The property already provides the minimum number of ADA units to satisfy the Building Code.
- When renovated, the site will offer adequate office space for property management and supportive services.
- When renovated, the site will provide indoor and outdoor community gathering spaces for residents.
- When renovated, the site will offer a resident laundry with capacity sufficient for the number of proposed residents.
- The site is vacant with no permanent residents (including live-in managers, residents for more than 30 days with or without written agreements, or commercial tenants) and does not trigger relocation requirements.
- When renovated, the site will provide rental units of at least 350 square feet with kitchens or kitchenettes that meet TCAC standards.
- A property of more than two stories has functioning elevators.
- Documentation about the physical condition of the property is available, including one or more of the following: a Physical Needs Assessment, Phase 1 Environmental Assessment, maintenance records, and/or inspection or rehab reports that provide a basis for reliably estimating rehabilitation costs and financial feasibility.

### **3. FINANCIAL FEASIBILITY AND READINESS:**

- A site awarded funding by the State under prior Homekey rounds is ineligible.
- The site is *feasible to acquire and renovate* within the standard state Homekey+ capital subsidy budget (with the expected available County capital match) such that the total cost of acquisition and renovation or new construction (not including any assumed COSR) will not exceed a total capital project of \$35 million.
- The site is *feasible to acquire and renovate*, build, and lease-up within the state Homekey+ milestone schedule.
- Total Development Costs per unit caps will be the lesser of: \$450,000 per unit, OR the 2024 TCAC Basis Limits for San Mateo County. The TDC per unit cap is inclusive of the Homekey+ Award and all other capital sources and expenditures, with the exceptions of land costs, COSRs, and other required reserves.
- The site has a proposal for a *financially feasible plan to operate* for 15 years assuming the state Homekey+ award of a two year Capitalized Operating Subsidy supplemented by the amount and terms of the requested County operating subsidy commitment.

### **4. POPULATION SERVED AND INCOME/RENT RESTRICTIONS:**

- THRESHOLD: Homekey+-assisted units must target individuals, or households with an individual, who are experiencing homelessness or who are At Risk of Homelessness as defined under part 578.3 of Title 24 of the Code of Federal Regulations and who have or are suspected of having a Behavioral Health Challenge.
- THRESHOLD: Homekey+-assisted units must comply with income and rent limits based on 30% of the County's Area Median Income under the Multi-Family Tax Subsidy Program.
- THRESHOLD: A Restrictive Covenant is required (55-years for permanent housing).

**B. Competitive Scoring of Opportunity Sites that Meet Threshold Requirements**  
**Proposed Opportunity Sites that meet threshold requirements will be scored using the following criteria:**

**1. LOCATION (Up to 15 points)**

- The site is in a High Resource Area as defined by TCAC.
- The site is within one-half mile of a public transit stop.
- The site is within one-half mile of essential shopping.
- The site is within one-half mile of health care providers, pharmacy, and other essential services.
- The site is able to score the full 12 points under the Site Selection scoring category in the State Homekey+ NOFA.

**2. PHYSICAL CONDITION (up to 30 points)**

- The site has as-built plans and drawings that reflect current conditions.
- The site is already fenced, with vehicular security gates and a functioning security camera system.
- The site is already equipped with quick-response fire sprinklers, fire alarms, and fire separation walls that meet minimum rating requirements.
- The site already offers larger units that include a functioning kitchen or kitchenette able to meet TCAC standards without renovation.
- The site already provides indoor and outdoor community gathering spaces for residents without renovation or new construction.
- The site already has a resident-serving laundry with capacity to serve the number of units proposed.
- When renovated, at least 15% of the Homekey+ units will satisfy mobility accessibility and at least 10% will satisfy communication accessibility (vision and hearing).
- The renovation cost is expected to be less than 10% of the total development cost (excluding any developer fee).

**3. FINANCIAL FEASIBILITY AND READINESS (up to 35 points)**

- The site is *feasible to acquire and renovate* within the standard state Homekey+ capital subsidy budget (with the expected available County capital match) such that the total cost of acquisition and renovation or new construction (not including any assumed COSR) will not exceed \$450,000/door.
- The site is financially feasible to operate for at least 15 years with a defined amount of a County four-year operating subsidy commitment for the maximum Homekey+ Four-year operating subsidy.
- The financing plan will use one or more of the County's identified federal matching fund programs and is able to satisfy the resulting NEPA, prevailing wage, and other federal requirements.
- The Team already has evidence of site control (a requirement of a state Homekey+ proposal).
- The development plan proposes a purchase price already supported by an appraisal that satisfies Homekey+ appraisal guidelines.
- The development plan does not require a building permit.

**4. POPULATION SERVED AND INCOME/RENT RESTRICTIONS: (up to 20 points)**

- The Team has demonstrated direct experience or (a) partnership(s) evidenced by a letter from proposed agency that has provided Supportive Services via Healthcare Reimbursements or secured one or more of the Project operating subsidies identified by [CA HCD Homekey+ NOFA](#) (See NOFA, Table on page 36).
- The Team has demonstrated direct experience with development projects utilizing Mental Health Services Act operating/services funding.

**VIII. REQUIRED ACKNOWLEDGEMENTS, AGREEMENTS, AND CERTIFICATIONS**

The executed MOU (a required attachment to qualify as a co-applicant Team) must include a statement that each member of the Team has reviewed, understands and agrees to the following acknowledgements, agreements and certifications.

1. **Independent Investigation of State Homekey+ Requirements.** Notwithstanding the County's efforts to summarize the state Homekey+ Program, applicants acknowledge their independent responsibility to master the requirements of the Homekey+ program and make their own independent determination of their ability to satisfy Homekey+ NOFA requirements.
2. **Housing First Certification.** Applicants acknowledge that Homekey+ applicants are required to certify to employ the core components of Housing First, as set forth in Welfare and Institutions Code Section 8255, in its property management and tenant selection practices and must accept tenants regardless of sobriety, participation in services or treatment, history of incarceration, credit history, or history of eviction and in accordance with local Coordinated Entry System protocols.
3. **Good Standing.** Applicants acknowledge that they must be qualified to do business and in good standing with the State of California Secretary of State and the California Franchise Tax Board and must be in compliance with all material requirements of any prior awards from the California Department of Housing and Community Development.
4. **Board Resolution.** Applicants acknowledge that a Board of Directors authorizing resolution will be required at a later date for submission of a Homekey+ application.
5. **Agreement not to Discriminate.** Applicants 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.
6. **Public Records.** Applicants acknowledge that under the California Public Records Act, 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.
7. **Conflict of Interest.** Applicants acknowledge that under conflict-of-interest laws, no public official of the County 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.

8. **County Ordinances and Requirements.** In addition to state Homekey+ requirements and any applicable federal requirements, Applicants will be required to comply with the County Living Wage Ordinance, Equal Benefits Ordinance, and other County requirements.
9. **Civil and Criminal Disclosures.** Applicants acknowledge that the Homekey+ application will require the CEO and CFO of the co-applicant organizations to make specific civil and criminal disclosures individually and on behalf of their organization.
10. **Required Certifications Under Penalty of Perjury.** By submitting an application in response to this RFP, Applicants (including each member of the Team) are certifying under penalty of perjury that:
  - Its submission is not the result of collusion or any other activity that would tend to directly or indirectly influence the selection process; and
  - The Applicant is able or will be able to comply with all requirements of this Request for Proposal at the time of selection of a co-applicant Team to join the County is submitting a Homekey+ proposal; and
  - Neither the Applicant nor any affiliated firm providing the requested goods and services has prepared plans, specifications, terms or requirements for this solicitation, or has any other actual or potential conflict of interest; and
  - The Applicant is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the California Government Code relating to conflict of interest of public officers and employees and is unaware of any financial or economic interest of any County officer or employee relating to this solicitation; and
  - Neither the Applicant, its principals or named subcontractors are identified on the list of Federally debarred, suspended or other excluded parties located at <https://sam.gov/content/exclusions>.
11. **No Promises, Funding Commitments or Agreements.** Applicants acknowledge and agree that the County's issuance of this RFP is not a promise or an agreement that the County will submit a Homekey+ application to the state Homekey+ program, fund any specific project, pay any compensation or enter into any specific contract. The County 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.

## IX. APPLICATION INSTRUCTIONS

### Application Cover Letter

**Instructions:** The application must include a Cover Letter (one-page, single space, 11-point font) which lists:

- each organizational member of the Team, their role, their address and website, and the lead responsible person (with email and telephone contact information) representing the organization on the application;
- the name, address, number of units and current website if available of each Opportunity Site proposed in the application (if any); and
- the name, title, organization, email and telephone contact information of a single individual authorized by the Team to communicate with the County about the proposal on behalf of the entire Team.

The cover letter must state whether the applicant’s interest is only to qualify as a Team or whether the application also proposes one or more Opportunity Sites for consideration by DOH. If only applying to qualify as a co-applicant Team, the cover letter must state whether the applicant’s interest is to serve as a Team on a County-identified Opportunity Site and whether the applicant plans to propose an Opportunity Site after the deadline to qualify as a Team (if selected).

### Application Part A: Qualifications of Team

**Instructions:** Part A of the Application, Qualifications of Team, provided as a fillable PDF form, **must** be submitted by the application deadline for review by the County with required and optional attachments. A Team must demonstrate coordinated and comprehensive organizational capacity and track record in three areas (Development, Property Management, and Supportive Services), as well as the commitment of immediately available, qualified personnel to work on the Homekey+ application until the Homekey+ application is submitted to the state Homekey+ program and after the County receives a Homekey+ award. Applicants may supplement the information requested in Part A of the application with required or optional Attachments listed in the Part A Application Checklist.

### Application Part B: Opportunity Site Project Details (if any)

**Instructions:** If applicable, Part B of the Application, provided as a fillable PDF form, must be completed for each proposed Homekey+ Opportunity Site with required and optional attachments. The County encourages applicants to use the limited time available to submit a more thorough response for a single Opportunity Site.

- In completing the Property Profile, use the most accurate information currently available.
- Whenever possible, provide the requested answer or answer Yes or No as indicated.
- Add a short explanation if it would assist the County in evaluating the Opportunity Site.
- When applicable, refer by number to any relevant Attachments.
- If the requested information is *known* to be not available, state “not available”.
- If it is *not currently known whether the requested information is available*, state “not known”.
- Only use the answer “not applicable” *if the information requested is not relevant to the consideration of the specific Opportunity Site*.
- Use the option to provide additional optional attachments to explain or supplement your responses, as needed.

Note: If the applicant is not submitting an Opportunity Site for consideration in response to the RFP, the Application Cover Letter should state that an Opportunity Site is not being submitted and indicate the applicant's interest in supporting the County on a County-Identified Opportunity Site and/or interest in proposing an Opportunity Site after being qualified as a Team.

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