



Finance Department
Purchasing Division

REQUEST FOR PROPOSALS (RFP)
Specification No. 23-11580-C
FOR
SOCIAL HOUSING MODELS AND MARKET ANALYSIS
PROPOSALS WILL NOT BE OPENED AND READ PUBLICLY

ADDENDUM “A”
April 28, 2023

Dear Proposer:

Questions received from proposers along with answers are attached.

Proposals/bids due date has changed from May 2, 2023 to must be received no later than 2:00 pm, on Tuesday, May 9, 2023. All responses should be sent via email to purchasing@cityofberkeley.info and have **“SOCIAL HOUSING MODELS AND MARKET ANALYSIS”** and **Specification No. 23-11580-C** indicated in the subject line of the email. Please submit one (1) PDF of the proposal.

Proposals will not be accepted after the date and time stated above.

We look forward to receiving and reviewing your proposal.

Sincerely,

Darryl Sweet
General Services Manager

Addendum “A”

Questions and Answers for Specification No. 23-11580-C SOCIAL HOUSING MODELS AND MARKET ANALYSIS

The City of Berkeley has received questions from some potential respondents regarding **Specification No. 23-11580-C, Social Housing Models and Market Analysis**. In an effort to provide the same information to all, listed below are the questions received to date, with responses from City staff.

1. Q. Will you accept responses from teams or partnerships? If so, can you clarify the paperwork requirements in the case of (a) a partnership between two entities and (b) a primary consultant with a subconsultant. How many references and experience samples need to be provided? Would all entities need to complete the City Requirements Attachments or just the primary consultant?

1. A. Yes, the RFP refers to selecting an Applicant or Applicant Team. In the case of (a) partnership between two entities, each entity would need to provide the required references (3) and experience samples (minimum of 3). In the case of (b) primary consultant with a subconsultant, only the primary consultant is required to provide the required references and experience samples; however, applicants can optionally include experience samples that highlight existing collaboration between the two entities as part of their required experience samples. Only the primary consultant would need to complete the City Requirements Attachments.

2. Q. Do you have any schedule expectations or budget parameters that respondents should keep in mind?

2. A. The budget range for this study is \$125,000 to \$175,000. Cost proposals will be evaluated on the basis of the scope of work and reasonableness, and may be below this range.

The term of the Consultant contract should take place during Fiscal Year (FY) 2024 (final product completed before June 30, 2024). There are no other specific schedule expectations for respondents to keep in mind. Applicants shall propose a Scope of Work that includes a schedule identifying the completion of all required tasks including key milestones and deliverables. The key milestones should include a draft of the social housing policy and market analysis report, a final social housing report, and a proposed number of meetings inclusive of the project initiation and conversations associated with the aforementioned tasks. The Scope of Work will be evaluated based on quality, strength, and thoughtfulness of Applicant’s proposal for timely execution of requested work. Specific consideration will be given to reasonableness of proposed schedule.

3. Q. Does the City have a budget max for this study?

3. A. The budget range for this study is \$125,000 to \$175,000. Cost proposals will be evaluated on the basis of the scope of work and reasonableness, and may be below this range.

4. Q. What is the desired time frame for implementing social housing? Or anticipated timeline for this scope of work?

4. A. See 2.A. regarding timeline for the scope of this work. There are no specific schedule expectations for respondents to consider beyond project completion before the end of FY 2024.

The desired time frame for implementing social housing will depend on the model being implemented, interest from community partners and funders, required funding, and other factors.

5. Q. Does Berkeley have publicly owned sites identified for development?

5. A. The selected Consultant will be expected to complete analysis for the City-owned property at 1011 University as noted in the RFP. See Attachment K to the RFP, [“Referral Response: Direction and Referral Regarding “Premier Cru” Property \(1011 University\).”](#) The Department of Planning and Building is conducting preliminary land use analysis for residential development at the West Berkeley Senior Center to be published later in the year. This analysis will be available to the selected consultant. See also Attachment J to the RFP, [“Referral Response: City Property for Attachment J Affordable Housing and Modular Micro- Unit Buildings.”](#) This report summarizes the list of City-owned properties and examines opportunities for developing affordable housing on these sites. This analysis should not be considered final and the City is open to considering analysis that contemplates land use changes and other recommendations to facilitate the feasibility of social housing on City-owned properties.

6. Q. For the 2 publicly-owned sites, do you want to see project development schemes (e.g., massing, unit yield, floor plans, other rough drawings)? If so, would you want to see X number of alternative development schemes for each parcel? Can you estimate how many schemes for each parcel?

6. A. Proformas and evidence that the proposed project is viable from a land use perspective would be the minimum requirement for the case studies of the 1-2 publicly-owned sites. Project development schemes for each parcel would be optimal, if it is within the Consultant’s capacity. Staff will work with the selected consultant to determine alternative development schemes as applicable within the scope of the project.

7. Q. Is Berkeley interested in working on Social Housing within a larger regional context?

7. A. Yes, the City of Berkeley is interested in regional collaboration on social housing.

8. Q. Social housing can mean different things to different constituencies. It appears that the City of Berkeley has broadened the CA definition to include a broad array of ownership structures frequently used for affordable housing projects (essentially any organizational structure aside from for-profit), and also that the income levels are not yet specifically targeted (and can include market rate housing). Specifically, is market-rate housing part of the mix under consideration?

8. A. Yes, market-rate housing is part of the income mix under consideration. The City of Berkeley is interested in market analysis to help identify what income mixes would be feasible for mixed-income housing to a) maximize affordability, and b) be self-sustaining through cross subsidy.

9. Q. Do you have any social housing models or projects that you specifically want to be assessed? There are many excellent mixed income project examples with high levels of affordable units in them, in the Bay Area and throughout CA that will fit the Berkeley definition of social housing. Is there something unique that you are seeking information on, such as organizational models, tax increment financing powers, high percentages of affordable units, deeper levels of affordability than LIHTC usually generates?

9. A. The City currently creates mixed-income projects through its Inclusionary Housing/Below Market Rate Program. It also supports LIHTC projects through its Housing Trust Fund program. The City is interested in alternative models from these two programs. Models should be focused on:

- Maximizing affordability across income ranges (including deeper levels than generated by LIHTC if possible);
- Generating more affordable units by volume with less local subsidy than is required by LIHTC projects; and
- Maintaining public and/or non-profit/community ownership.

Montgomery County's Housing Opportunities Commission and its Housing Production Fund (a revolving loan fund with thousands of publicly-owned mixed-income units in the pipeline, producing large-scale mixed-income projects with at least the number of affordable units as a typical LIHTC deal) is one model of interest. A key question for the market analysis will be how to build publicly or socially-owned mixed-income housing in Berkeley in a way that a) maximizes affordability, and b) is self-sustaining through cross-subsidy. Proposals should consider what kind of income mixes would make this possible, and what other factors would need to be in place to make these projects feasible.

10. Q. You mention reparations in the introductory portion of the RFP. Can you elaborate at all on this goal in this context?

10. A. See Attachment L to the RFP, "[Resolution Recognizing Housing as Human Right; Attachment L Referring to City Manager Several Measures to Begin Developing Social Housing in the City of Berkeley](#)." The Council referral directing work on social housing includes an item to "study and return a report to council and, if feasible, a proposal for a Reparative Justice Revolving Loan Fund with affirmative racial justice and anti-displacement goals in coordination with the city's Small Sites Program." As such, it will be important to highlight as part of the Social Housing Models research any models that are already using a racial justice and anti-displacement lens. This feasibility analysis and Social Housing Models report will be used to inform how a revolving loan fund could be structured in Berkeley. Best practices and ideas regarding how to apply affirmative racial justice and anti-displacement goals to a revolving loan fund for social housing will be welcomed as part of the report, especially if the Consultant has expertise in these areas.

Except as provided herein all other terms and conditions remain unchanged.