



City of Emeryville

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4300 San Pablo RFQ/P Clarification FAQs

The Phase II Proposal requires one PDF copy of the developer qualifications, is the City looking for a copy of the Phase I Proposal's development team's qualifications or something different?

- **Response: One PDF copy of the developer qualification as submitted for Phase 1 should be submitted with your proposal for Phase 2.**

Tab 4: Renderings and Design

I understand that Phase II submittals are required to provide site plans, colored renderings, and proposed interior finishes. What level of detail is the city looking for, enough detail to submit for entitlements?

- **Response: Applicant shall submit sufficient information to assist the City in reviewing the project. Detail that would be required when seeking entitlements is not required at this time.**

This section requires the plans to include all proposed landscaping, is the City looking for a landscaping plan?

- **Response: A minimum of 10% of the site needs to be landscaped. Please demonstrate which areas of the site will be the landscaped to ensure your project complies. Details about specific plantings are not required at this time.**

This section requires the plans to include utility meters, transformers and utility boxes, this will be difficult to include in conceptual drawings. While our consultants could approximate the size, number and locations for utility meters, transformers and utility boxes, it would likely be inaccurate and would have to be reassessed during the working drawings stage of the proposed project's design development phase.

- **Response: Please demonstrate you have considered these items in your design. The inclusion of notes within the plan, identifying that the exact location(s) is/are subject to change will suffice.**

Is the City looking for a materials board for the interior finishes? Can you please provide more detail as to what is required for this item?

- **Response: A material board is not required to meet this requirement. Color pictures of the types of materials to be used for interior finishes should be submitted with your proposal.**

Is the City looking for pictures of proposed appliances? Exactly what level of detail is the City looking for? This is rather difficult to determine with conceptual drawings.

- **Response: Color pictures of the types of appliances to be used should be submitted with your proposal.**

Tab 5: Community Benefits

I am unsure how community benefits relate to the proposed project's density bonus. The proposed project should receive its density bonus in accordance with state affordable housing laws correct? Is the City looking for an explanation for Community Benefits in association with the proposed project's development incentives? The project is entitled to three affordable housing development incentives according to state law correct?

- **Response: There are now three ways in which to achieve a density bonus: 1) under the traditional state density bonus system (See Art. 5 of Chapter 5 of Title 9 of EMC); 2) the City's development bonus system under which the developer offers community benefits in exchange for bonuses (see Section 9-4-204); and 3) under AB1763. Please identify which density bonus system you will be seeking when responding to this section. If local, please identify the community benefits you are proposing to provide. If AB1763, please identify which concessions/incentives you are seeking.**

Is the City looking for community benefits beyond the amenities and services provided by the proposed community?

- **Response: Please identify any community benefits you feel will make your project competitive. Developers proposing to follow the local density bonus system are required to identify community benefits.**

Tab 7: Environmental Performance

Will all proposed projects be required to seek a certification from Build it Green's NHMF program, or will it be possible to seek a different sustainability certification in-lieu of a NHMF certification? A NHMF certification will not add any points for the proposed project's sustainable building methods CDLAC score.

- **Response: Sustainability is a policy goal of the City of Emeryville. The RFQ/P requires projects achieve a minimum of 100 "Green Point Rated" points plus meet all minimum requirements of LEED Silver certification, include solar panels and building materials that minimize Volatile Organic Compounds (VOCs) and off-gassing. Other certifications may be proposed provided they are demonstrated to be equivalent to the requirement in the RFQ/P.**

CDLAC and TCAC are moving towards cost efficiency as the main metric to assess projects. Given the recent updates to the Title 24 energy codes, many Green Development Elements have the potential to drastically increase the development budget, making an allocation of tax credits and bonds highly unlikely. It is the opinion that this section should focus on compliance with the 2019 energy codes and implementing sustainable features that will maintain the financial integrity of the proposed project.

- **Response: Comment noted.**

Financial Narrative – Tax Credit Point Score and Tie Breaker Score

The tax credit point scores and tie breaker scores are associated with competitive 9% Low Income Housing Tax Credit ("LIHTC") applications. 4% LIHTC are non-competitive

and “over the counter,” so long as a project is awarded tax-exempt bonds from the California Debit Limit Allocation Committee (“CDLAC”). That being said, tax-exempt bonds are now competitive in the State of California. I believe it would be more beneficial for the City of Emeryville to get an understanding of the proposed project’s CDLAC score, rather than its TCAC score.

- **Response: While the base proposal must only assume 4% Tax Credits, alternative financing approaches are encouraged and can be submitted separately. The financial narrative should include a justification for the proposed sources and uses and describe the projects eligibility and competitiveness for the proposed funding based an assessment of the viability of being successfully awarded. As part of the financial narrative, please submit relevant information regarding the CDLAC scoring for the 4% tax credits/tax exempt bond allocation and the relevant TCAC scoring criteria if alternatively proposing to use 9% tax credits.**

Financial Narrative – Lease Structure

Is the city looking for a particular lease structure/payment amount?

- **Response: The City is willing to consider alternative ground lease proposals and payment amounts.**

Sources & Uses – Contingency

Industry standard for hard cost contingency is 5% and soft cost contingency is 3%. It is important to note that the developer will need to provide financial and repayment guarantees to the construction lender, who will also underwrite the proposed project at industry standard for both contingencies. Additionally, such a high contingency will limit the developer’s ability to provide additional community benefits or green building measures. We request changing this underwriting requirement to be in compliance with industry standards.

- **Response: While the City understand that alternative contingency allowances may be allowed by various underwriters, the City is requiring that all proposers use a 10% contingency allowance for both hard and soft costs given the preliminary nature of the project design and the risk that construction costs could be significantly higher than estimated at this time. The soft cost contingency should be calculated based on all soft costs except for any developer fee or sponsor administration costs.**

Sources & Uses – Prevailing Wages

Will the project be required to pay prevailing wages as a result of entering into a land lease with the City of Emeryville? Or will the project be required to pay prevailing wages in accordance with its soft debt program requirements?

- **Response: The State’s Prevailing Wage Laws (Labor Code section 1720, et seq.) governs whether prevailing wage will apply to the construction of the project. The City does require the payment of living wages and a minimum wage, as codified in Chapters 31 and 37 of Title 5 of the Emeryville Municipal Code.**

Sources & Uses – Development Impact Fees

Are there any affordable housing impact fee waivers? Would the city be willing to issue any impact fee waivers for this project?

- **Response: This project does not meet the City's regulatory requirement for an exemption of Development Impact Fees pursuant to 9-5.1909. The affordable housing impact fee is not assessed on affordable housing units, but developers will be responsible for the Park & Recreation and Transportation Facility impact fees. Please visit <https://www.codepublishing.com/CA/Emeryville/html/Emeryville09/Emeryville095.html#9-5.1909> and <https://ci.emeryville.ca.us/DocumentCenter/View/9022/Development-Impact-Fees-?bidId=> for any additional information.**

Tab 8: Supportive Information

Would it be acceptable to include the Supportive Information Tab at the end of the submittal? Or does it need to be included in the order it is presented in the RFP clarification (before the feasibility tab)?

- **Response: Please include the supportive information in Tab 8 and Financial Feasibility in Tab 9, as outlined in the RFP Clarification.**