

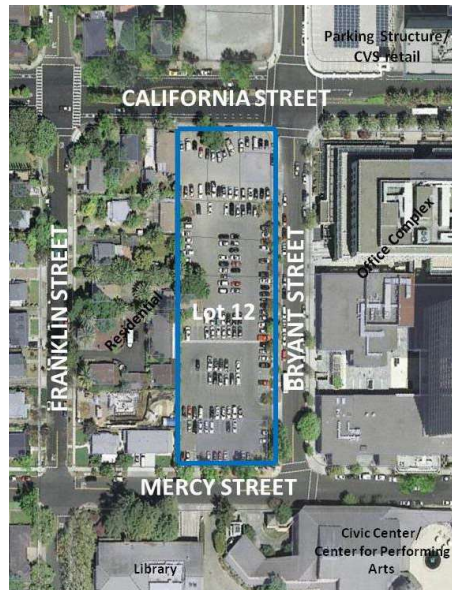


CITY OF MOUNTAIN VIEW

# REQUEST FOR PROPOSALS

## RESIDENTIAL/MIXED-USE DEVELOPMENT OPPORTUNITY

### LOT 12 MOUNTAIN VIEW, CALIFORNIA



**Issue Date: December 16, 2019**

**Due Date: March 2, 2020 by 5:00 p.m.**

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COMMUNITY DEVELOPMENT DEPARTMENT

500 Castro Street • Post Office Box 7540 • Mountain View • California • 94039-7540  
650-903-6306 • Fax 650-962-8502

December 16, 2019

Dear Prospective Development Team:

The City of Mountain View is pleased to invite you to submit a proposal in response to this Request for Proposals (RFP) for the leasing and development of Lot 12 in Downtown Mountain View.

Below is the RFP schedule for your reference:

- December 16, 2019 – Lot 12 RFP sent to invited development teams
- January 6, 2020 – Preproposal conference for questions/information requests (Attendance Required)
- January 10, 2020 – Last date for questions/requests for clarification on RFP
- January 17, 2020 – City responds to questions
- March 2, 2020 (by 5:00 p.m. PST) – Developer proposals due
- April 3 and April 6, 2020 – Respondent interviews (Attendance Required)
- April 28, 2020 – City Council selection of development team

The City looks forward to receiving your proposal. If you have any questions, please contact Grace Montgomery at [grace.montgomery@mountainview.gov](mailto:grace.montgomery@mountainview.gov) or 650-903-6455.

Sincerely,

Wayne Chen  
Assistant Community Development Director

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**CITY OF MOUNTAIN VIEW**  
**COMMUNITY DEVELOPMENT DEPARTMENT**  
**Attention: Assistant Community Development Director**  
**500 Castro Street**  
**Mountain View, CA 94041**

<b>RFP: Residential/Mixed-Use Development Opportunity</b>	<b>REQUEST FOR PROPOSALS (RFP) COVER PAGE</b>	<b>Response Deadline: By March 2, 2020, 5:00 p.m., Pacific Standard Time</b>
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**Subject:** Lot 12 Request for Proposals (RFP)

Company: \_\_\_\_\_

Name: \_\_\_\_\_  
(PRINT OR TYPE)

Federal Tax I.D. No. \_\_\_\_\_

Signature of Development Team Representative\*:

Street Address: \_\_\_\_\_

\_\_\_\_\_

City: \_\_\_\_\_

Title: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Date: \_\_\_\_\_

Tel. No. \_\_\_\_\_ Fax No. \_\_\_\_\_

*\*Authorized Signature: The signer declares under penalty of perjury that she/he is authorized to sign this document and bind the company or organization to the terms of this Agreement. The Qualifications submittal and any other documents submitted in response to the foregoing shall form a part of and be construed with the purchase order/contract.*

E-Mail: \_\_\_\_\_

**ONLY RESPONSES WITH AN ORIGINAL SIGNATURE WILL  
BE ACCEPTED.**

**This cover page must be completed and submitted as part of your response.**

**FOR QUESTIONS REGARDING THIS REQUEST FOR QUALIFICATIONS, PLEASE CONTACT:**  
**Grace Montgomery**  
**Community Development Department**  
**Telephone: 650-903-6455**  
**E-mail: [grace.montgomery@mountainview.gov](mailto:grace.montgomery@mountainview.gov)**

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## SECTION 1 – SUMMARY OF THE OFFERING

### A. INTRODUCTION

The City of Mountain View (City) is pleased to issue this Request for Proposals (RFP) to developers interested in leasing and developing one downtown surface parking lot, identified as Lot 12 and shown in Figure 1.

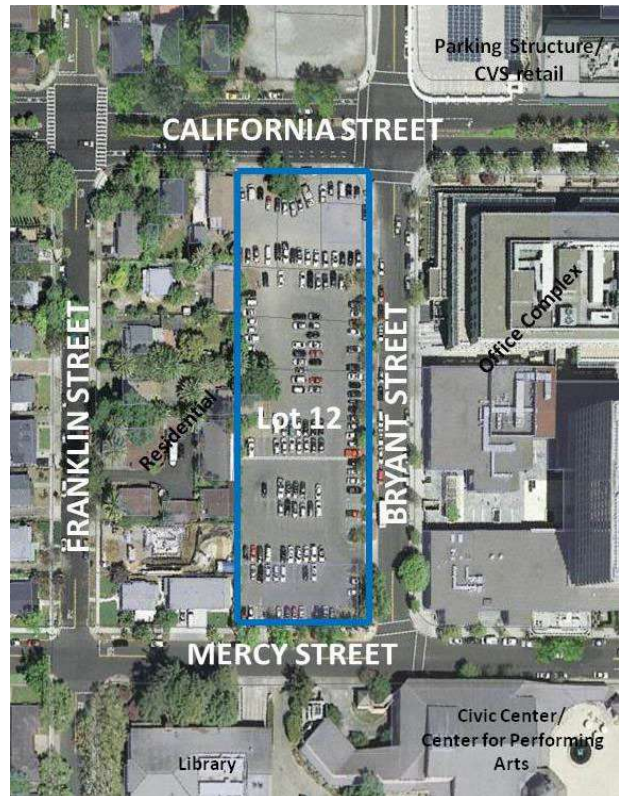
Lot 12 is an approximately 1.5-acre parcel of land measuring 150'x435'. The property is located in downtown Mountain View, one block west of Castro Street; across the street from the Civic Center, Center for the Performing Arts, and Library; and close to two parks and five blocks from the Mountain View Transit Center, an intermodal transit center served by VTA, Caltrain, and numerous employer shuttles.

The site is available for development on a long-term ground lease from the City to a highly qualified development team. Development of the site will advance the City's goals of increasing housing opportunities, including affordable housing; realizing high-quality infill and transit-oriented development that enhances the built environment in this downtown transition zone; and creating a distinct character and sense of place, facilitated by the inclusion of a modest amount of retail or nonoffice space. Lot 12 currently has 160 public parking spaces and replacing all 160 spaces, in addition to satisfying the project parking requirements, is a requirement.

The ideal development team will have the demonstrated experience, financial and technical capability, creativity, and capacity to develop the property consistent with City goals for a high-quality residential mixed-use project.

Responses to this RFP must be received by the City by March 2, 2020, 5:00 p.m., Pacific Time.

**Figure 1: Lot 12**



## B. LOT 12 DEVELOPMENT SPECIFICATIONS

The process for marketing the Lot 12 property for development began with a Request for Qualifications (RFQ). On September 10, 2019, the City Council invited the RFQ respondents to submit formal proposals in response to this Request for Proposals (RFP). Based on Council input from prior Study Sessions and at the September 2019 meeting, where it also considered final RFP direction, the following are the development specifications for Lot 12 to be incorporated in the RFP submittal:

- Residential Use:
  - Up to 120 residential units.
  - Affordability requirement: At least 50 percent of the units must be affordable units that are rent-restricted via a regulatory agreement.
  - Income levels: The affordable units shall be affordable to households earning 30 percent to 80 percent of the AMI adjusted for household size. However, the submittals can include affordable units for households earning less than 30 percent AMI if respondents seek to incorporate units for special needs. Respondents shall use the 2019 Tax Credit Allocation Committee published maximum rent schedule for Santa Clara County and assume the utility allowances specified in Table 1 below in Section 4.
  - Residential Population: Flexible. However, respondents must clearly state whether or not the development is intended to be for a particular population or special needs. If so, respondents must also clearly state which population or special needs and include descriptions of any relevant design and operational components in the submittal (e.g., services and operations for homeless persons if a respondent seeks to build permanent supportive housing).
  - Tenant Preference: As part of the City's Displacement Response Strategy, the City is evaluating a policy that provides a preference for displaced tenants for deed-restricted affordable housing. Please be aware that it is currently anticipated that such a policy would likely be in place and apply to the Lot 12 project based on the projected development schedule as shown in Section 3 of this RFP.

- Nonresidential Use:
  - Up to 10,000 square feet of ground-floor, nonresidential use(s).
  - Refer to Area C of the Downtown Precise Plan for development standards regarding location and types of nonresidential uses.
    - Emphasis on creating a quality pedestrian experience and public realm facilitated by location of the nonresidential use and architectural features and design. Priority location(s) for any nonresidential uses would be at the “corners” of Lot 12 (e.g., California/Bryant Streets or Mercy/Bryant Streets) but may extend into the midblock. Nonresidential uses that are only located on the midblock are less desirable, and ground-floor space should facilitate vitality and activity along Bryant Street.
    - Flexibility on type of use(s), including community-serving spaces. Preference for unique or innovative uses that can also create a sense of place and serve the Lot 12 residents as well as the broader community. However, office use is not a preferred land use for Lot 12.
  
- Design:
  - Support for up to six stories, particularly along Bryant Street.
  - Must incorporate excellent architecture and design with sensitive massing that enhances the public realm and the pedestrian experience and provides an effective interface with the adjacent residential neighborhood.
  - Must be sensitive to adjacent uses, particularly the existing residential community to the west of Lot 12. Appropriate transitions, such as setbacks, step-backs, screenings, etc., must be incorporated.
  - Must meet the City’s sustainability policies and comply with adopted City codes, including newly adopted Building and REACH codes.
  - Any deviations to the Downtown Precise Plan must be identified in the submittal and may require an amendment to the Plan.

- Parking:
  - Replacement parking:
    - Base Scenario (Required): Replace all 160 public parking spaces on-site.
    - Alternative Scenario (Optional): Respondents have the option to submit a proposal that does not fully replace the public parking spaces on-site, but this alternative needs to address how and where alternative public parking spaces would be physically provided within downtown or via a payment to the City. Replacement parking should be available before issuance of final Certificate of Occupancy. If respondents choose to submit the optional Alternative Scenario for replacement parking, it must be in addition to the Base Scenario submittal.
  - Residential parking: Maximum of 0.75 space/housing unit, with a lower ratio allowed if supported by a parking study and/or density bonus waiver.
  - Nonresidential parking: Parking is not required for nonresidential uses, but development may include up to a maximum one parking space/1,000 gross square feet. If provided, all nonresidential parking spaces should be publicly available for parking on nights and weekends. The City will not provide subsidies for any nonresidential parking spaces provided.
  - Incorporate robust transportation demand management (TDM) strategies and parking demand management strategies.
  - To the extent possible and meeting other development specifications in this RFP, flexibly design the project to facilitate repurposing parking facilities to other uses in the future.
- Placemaking:
  - Support for creating a sense of place and for the Lot 12 development to function as a community asset both for the residents of Lot 12 and for the broader Mountain View community.
  - Input on types of amenities ranged from gardens, community art, playground, and water structure. Something different and unique and

that can accomplish a sense of community and/or provide services to the community.

- Recognition that retail could be more difficult at this location or needs to be differentiated due to its location, but appropriate retail that can facilitate creating a sense of place should be incorporated to the extent possible.
- Financial:
  - Clear and complete information and description of Lot 12 financing structure. Respondents must strive for maximum clarity regarding both the overall project financing structure, but also the development cost/revenue assumptions for the affordable housing, nonresidential, and replacement parking components. Any shared costs shall be reasonably apportioned between the uses. For example, a parking podium might serve the affordable housing parking requirements and the replacement parking. Therefore, the cost of the parking podium shall be reasonably allocated between the affordable housing development cost and the replacement parking cost, and the submittal must clearly indicate the amount of City subsidy requested for the affordable housing.

The City's evaluation of any subsidy request shall be based in part on clear financial delineation between uses and reasonable cost apportionment (if any).

- Tax Credit:
  - Base Scenario (Required): All respondents shall submit complete financing documents that assume a 4 percent tax credit execution.
  - Alternative Scenario (Optional): Respondents have the option to submit an alternative financing scenario modeling a 9 percent or hybrid (4 percent and 9percent) execution. If respondents choose to submit an Alternative Scenario for the financing, they must also include an alternative set of complete financial documents, in addition to the Base Scenario.

- Ground lease for 59 years with four 10-year renewals (with the initial ground lease incorporating a reasonable period for predevelopment and construction).
  - Base Scenario (Required): All respondents shall submit complete financing documents that assume the provision of all 160 replacement parking spaces on-site at a reduced ground lease at \$1/year.
  - Alternative Scenario (Optional): If respondents choose to submit an optional alternative replacement parking scenario, they must also include an alternative set of complete financial documents that reflects the off-site replacement parking, in addition to the Base Scenario. It is assumed that an alternative replacement parking scenario that includes the replacement of spaces off-site, whether through direct physical provision of spaces within downtown or payment to the City, would change the financing structure of the project. Payments to the City for replacement parking could include ground rent to the City based on the market value of land or an upfront payment in-lieu of building the replacement parking.
- Public parking will be operated by the City unless the respondent suggests an alternative strategy that meets other project requirements.
- City funds for affordable housing, nonresidential ground-floor uses, and replacement parking will be allocated at the City’s discretion based on available funds at the time of execution of a Disposition and Development Agreement.
  - Overall Direction: Maximize the use of external funding sources and minimize overall City subsidies for the total project, including for each type of subsidy (e.g., affordable housing, nonresidential, and replacement parking).
  - Affordable Housing City Subsidy: Explore all external affordable housing funding sources and minimize City subsidies. For each external funding source listed in the submittal’s sources and uses, there must be a brief description of the project’s eligibility and competitiveness for the proposed funding based on reasonable due diligence conducted by the respondent to assess the viability of being successfully awarded. Typical City loan terms in the past have been a 3 percent residual receipt loan for 55 years for the period of

the rent restriction. No operating subsidies will be provided by the City.

- Nonresidential City Subsidy: Minimal City contribution for development costs can be considered, depending on the type of use and the subsidy amount requested. The City will only consider funding a portion of the development costs for nonresidential uses that successfully meet the development specifications for nonresidential use and placemaking. No operating subsidies will be provided by the City.
- Replacement Parking City Subsidy: The City will consider providing limited funding for replacement parking from non-General Fund sources.
- Payment of prevailing wages and adherence to other requirements of proposed Federal, State, and regional funding sources.
- Community Engagement:
  - Effectively engage the community and downtown neighborhoods during the design and development process.

## C. CITY-INITIATED ACTIONS

The City has undertaken the following:

- Environmental Site Assessment: The City conducted Phase I and Phase II assessments as part of the Lot 12 RFQ process, and the assessments did not yield environmental concerns at the time. The Lot 12 entitlement process would still require environmental review subject to the California Environmental Quality Act (CEQA), and any environmental conditions identified through the process would require an appropriate response at that time.
- A.L.T.A. Survey: The City prepared an American Land Title Association (A.L.T.A.) survey. The A.L.T.A. survey identifies all existing topographic features of the property and all matters of record and not of record. There is nothing in the A.L.T.A. survey that indicates development of the property to its full potential is restricted in any way.
- Parcel Map: The City is in the process of recording a Parcel Map to merge a number of legal lots into a single lot to facilitate development.

The above information can be accessed online at: [www.mountainview.gov/lot12](http://www.mountainview.gov/lot12). This site may be updated periodically, and it is the sole responsibility of interested respondents to check this website frequently to ensure they have the latest information.

D. ADDITIONAL DESIGN CRITERIA/CONSIDERATIONS

The City has conducted some preliminary technical assessment for Lot 12, summarized below. Although formal application-ready drawings are not expected for this RFP, respondents should take note of the below when considering their development plans for the RFP submittal. Respondents should be aware that detailed plans will be expected as part of the formal application by the selected development team, and the entitlement process will include development review that incorporates, but is not limited to, the components below.

- Circulation/Right-of-Way Improvements:
  - Circulation plans should account for vehicle, pedestrian, and bicycle circulation needs and safety along all project frontages. On-street parking may need to be removed and/or additional setbacks provided to facilitate intersection improvements (e.g., turning lanes) and comfortable public sidewalks to achieve an excellent pedestrian experience. This includes right-of-way configuration in regard to public sidewalk widths and intersection improvements.
  - Driveway location(s) into the proposed project should account for conflicts with existing driveways of adjacent development, proximity to intersections, and minimizing/avoiding conflicts with vehicle movement (e.g., personal vehicles, VTA bus service, etc.) and bicycle improvements on California Street.
  - A Traffic Impact Analysis (TIA) shall be required and conducted by the City as part of the entitlement process. Given the potential impact of the development on existing conditions, the four intersections (full block) at Mercy, California, Bryant, and Franklin Streets will require close study. This includes circulation and safety of vehicles, pedestrians, and bicyclists. Results of the TIA may yield needed infrastructure improvements/upgrades as part of the proposed Lot 12 project.
  - Additional circulation considerations related to building design and landscaping include corner/driveway sight visibility and underground



garage ramp. City Standard Details A-22, A-23, and A-24 should be reviewed here:

<https://www.mountainview.gov/civicax/filebank/blobdload.aspx?BlobID=30070>.

- Trash/Recycling/Compost:
  - Trash/recycling/compost should be handled separately for nonresidential and residential components. Generally, a mixed-use building will have separate trash rooms for office/retail and residential use. Refer to standard City solid waste requirements.
  - The City has a dual-stream residential recycling program, which requires a three-chute system if chutes are used.
  - Collection vehicles and workers will not enter an underground garage to provide service. An at-grade staging area accessible to the hauler and not in the public right-of-way or easement (e.g., street, sidewalk, etc.) will be required.
  - Provide proper clearances for any on-site circulation for collection vehicles. Collection vehicles will not back more than 150’.
- Utility Study:
  - There are existing capacity problems at Bryant Street and Evelyn Street downstream from the proposed development. A utility study shall be required and conducted by the City. Results of the utility study may yield needed infrastructure improvements/upgrades as part of the proposed Lot 12 project.
- Adopted Building and REACH Codes:
  - Project shall comply with adopted City codes, including newly adopted Building and REACH codes. Please refer to revisions as adopted by Council on November 12, 2019 (Item 4.2). These revisions reflect the 2019 Triennial State Model Code adoption cycle and amendments tailored for local conditions. They include, but are not limited to, local amendments for REACH codes related to the electrification of building appliances and electric vehicle charging to help meet the City’s Greenhouse Gas reduction goals.

- Construction management plan: The selected development team will need to develop a construction management plan during the Planning entitlement process to address how the project will be constructed, given the time and spatial limitations in downtown. The plan should address the following:
  - Truck route for construction and delivery trucks;
  - Construction phasing;
  - On-site locations for staging, storing construction vehicles, equipment area, construction trailer, sanitation facilities, and worker parking;
  - Parking management plan to address the loss of on-street and parking lot spaces during construction; and
  - Public streets will need to remain open during construction and should not be used for any construction-related activities, including parking for workers and storage of vehicles.

**SECTION 2 – RFP TIMELINE AND DEVELOPMENT PROCESS**

**A. RFP/RFP SCHEDULE**

Responses to this Lot 12 RFP process shall be received by the City by 5:00 p.m., March 2, 2020. The submittals shall be evaluated and the City Council will select the preferred development team on April 28, 2020. The City of Mountain View may amend this schedule with written notice to all invited respondents.

<b>Date</b>	<b>Activities</b>
December 16, 2019	Issuance of RFP
January 6, 2020	RFP Presubmittal conference (in-person attendance required)
January 13, 2020	Last date for questions/requests for clarification on RFP
January 20, 2020	City responds to questions/requests for clarification
March 2, 2020	RFP responses due by 5:00 p.m.
April 3 and April 6, 2020	Respondent interviews (required)
April 28, 2020	Council selection of development team
May 2020	Begin Exclusive Right to Negotiation resulting in Detailed Business Term Sheet to become basis for DDA and ground lease

B. DEVELOPMENT SCHEDULE (PROJECTED)

The selected development team, following the receipt and evaluation of formal proposals submitted in response to the RFP, is expected to enter into an Exclusive Right to Negotiate with the City in May 2020, which will form the foundation for the required disposition and development agreement (DDA) and ground lease. Upon execution of the DDA and ground lease, the selected development team is expected to submit development plans for the project and commence the entitlement review phase. Below is a schedule of the overall process through completion of the Lot 12 project.

2020

- May 2020: City and selected developer enter into Exclusive Right to Negotiate Agreement and commence negotiations, which will form the foundation for the required disposition and development agreement (DDA) and ground lease.
- Third Quarter 2020: City and Developer execute Ground Lease and Disposition and Development Agreement.
- Fourth Quarter 2020: Developer submits development plans and Planning Permit application.

2022

- First Quarter 2022: Entitlements and Environmental Review complete.
- Third Quarter 2022: Submit construction drawings and apply for Building Permit.

2023

- Second Quarter 2023: Building Plan approval.
- Third Quarter 2023: Construction begins.

2025

- Third Quarter 2025: Project complete/issuance of final Certificate of Occupancy.

### C. PLANNING AND ENTITLEMENTS

The following permits and entitlements will be required for the development process of the property following the selection of the development team via this RFP process:

- A development conforming to the development standards of the current Downtown Precise Plan will require a Planned Community Permit and related development permits, as well as and environmental review under CEQA. The Zoning Administrator will make a recommendation to the City Council regarding the approval of the development permits and CEQA determination. A Precise Plan Amendment and environmental review would be required if the proposed project deviates from the current Precise Plan land use restrictions (e.g., a higher building height than currently allowed). In this case, the City's Environmental Planning Commission (EPC) would serve as the recommending body for the development proposal.
- The City has established a preliminary (e.g., informal) review process for development proposals. This includes one round of initial review by City staff and can also include one round of comments by the City's Development Review Committee (DRC). Any project proposing a Precise Plan Amendment would have a Study Session with the EPC and/or City Council. This process is intended to provide early feedback, which will help prepare a project for formal application submittal to initiate the entitlement process and may extend the timeline noted above.
- As part of the development process, the selected development team will pay all applicable City fees related to permit processing and the proposed development.

### **SECTION 3 – MINIMUM BUSINESS TERMS**

The following section briefly describes minimum business terms. Respondents should indicate acceptance of these minimum business terms or identify areas of proposed modification with an explanation as to why they need to be modified and suggest alternative ways to address them.

- Development Specifications: The City has a priority for high-quality, mixed-use (primarily residential) development with a minimum of 50 percent affordable housing. The development must meet the development specifications of this RFP, contribute to the vitality and character of downtown Mountain View and take advantage of nearby transit facilities.

- Replacement of Public Parking: There are currently 160 surface spaces on Lot 12. The selected developer will, in addition to meeting the on-site parking requirements of the project, be required to replace the 160 public parking stalls according to the terms/options specified in this RFP.
- Subordination: The fee ownership and minimum base rent will not be subordinated except under specific circumstances that would facilitate the production of affordable housing. The City will not subordinate the affordability regulatory agreement to any construction or permanent financing.
- Lease Term: The City will agree to a lease term appropriate to the proposed use and based upon market conditions. It is expected the initial lease term will be 59 years, with extension options (not to exceed four 10-year options).
- Base Rent: Given the City's goals for this property, the City does not consider redevelopment of Lot 12 a revenue generation project that would require a minimum base rent payment if all parking spaces are replaced on-site. However, submittals should clearly state what, if any, base rent is assumed in the project's financial feasibility as part of the response to Section 4, Component D.5.
- Possessory Interest Tax: The Lessee will be required to pay any possessory interest tax in lieu of property tax.
- Good-Faith Deposit: The development firm selected for the project will be required to submit a good-faith deposit of \$50,000 (cashier's check) to offset any costs associated with the a disposition and development agreement (DDA) and ground lease process prior to entering into the Exclusive Right to Negotiate Agreement (ERNA) with the City. The payee on the check will be the City of Mountain View. The initial \$50,000 good-faith deposit will become immediately nonrefundable. If the ERNA process extends beyond 90 days, a 60-day extension may be considered, and an additional \$25,000 good-faith deposit would be required.
- Predevelopment Costs: The development team will be responsible for all customary and published City fees and private predevelopment costs, including the preparation of all required submittals to the City in order to receive land use and environmental approvals. The City will facilitate the predevelopment process and will be responsible for all costs incurred by City staff, including project administration.
- Assurances: The DDA will include provisions for performance bonds or other remedies to ensure completion of the project.

- Insurance: The Lessee will be required to maintain certain prescribed minimum insurance coverages throughout the term of the lease.
- Assignment: The City will have a reasonable right to approve any assignment of the lease, as well as any changes in operator(s) of the nonresidential space.
- Real Estate Commissions: The City will not pay commissions to brokers in this transaction.
- Documents: The successful development team will be required to execute applicable documents as identified in Section 5 of this RFP and in substantially similar form as to the templates of such documents found online at [www.mountainview.gov/lot12](http://www.mountainview.gov/lot12).

## **SECTION 4 – RFP SUBMITTAL REQUIREMENTS AND EVALUATION CRITERIA**

### **A. RFP SUBMITTAL REQUIREMENTS**

The process for marketing Lot 12 began with an RFQ. This RFP phase will require the submittal of more detailed information about the proposed development's program, design, and financing structure. The City has ultimate authority for the selection process, with the assistance of its consultants as needed.

The following are required components for the RFP submittal:

- Component A – Cover Letter and Acceptance of RFP Key Business Terms
- Component B – Proposed Development
- Component C – Development Team Description and Qualifications
- Component D – Financing Structure and Respondent Capability

The submittal shall: (1) use standard letter size paper (8.5" x 11"); (2) have 1" margins on all sides; (3) use 12 font size and either Times New Roman or Arial font; (4) clearly label and respond to each component and subcomponent below; and (5) provide succinct and clear responses to each component. The City may request clarifying information for responses to any of the submittal requirements. See Section 6 for additional information and requirements on delivery of RFP submittal.

## Component A: Cover Page, Transmittal Letter, and Acceptance of RFP Key Business Terms

The submission must include the signed RFP cover page as provided at the beginning of this RFP document and a transmittal letter signed by the “team representative” (i.e., the person authorized to represent and negotiate on behalf of the development team). The transmittal letter shall include the following:

1. Brief description of the proposed Lot 12 development.
2. Brief description of development team, identification of the day-to-day project manager, and the person authorized to negotiate on behalf of the development team (if different from the project manager).
3. State the team’s agreement to the City’s RFP requirements, as described in this solicitation, or present any proposed modifications to them, particularly noting the following:
  - a. Agreement to the development specifications and minimum business terms in the RFP.
  - b. Agreement to submit the required nonrefundable deposit of \$50,000, if selected and before signing an Exclusive Right to Negotiate Agreement.
  - c. Agreement to fund all private predevelopment costs and pay required City fees.
4. Agreement that the proposed development terms in the RFP response will be adhered to for a period of not less than ninety (90) calendar days from notification of selection.

## Component B: Proposed Development

This section shall include the following:

1. Summary of Development Project, including the following:
  - a. Brief narrative of the overall project.
  - b. Summary of how the project meets the Council’s goals, development specifications, and Downtown Precise Plan’s objectives.

- c. One bullet summary each for Items 2 through 11 of this Subsection (Component B).
  - d. Table summarizing the proposed development program, which presents quantitative information on the residential, nonresidential use, and parking uses (e.g., breakdown of housing units, nonresidential square footage, parking spaces for the project, etc.), as required in the next three Subsections.
2. Residential program:
- a. Total number of residential units.
  - b. Total number of affordable units and percent of total residential.
    - (1) Breakdown of distribution of affordable units by number of bedrooms, income levels, and assumed rents (Table 1 provides a sample table). If any market-rate units are provided, the distribution of affordable unit by number of bedrooms shall be proportionate to the market-rate units. Assumed rents shall be based on 2019 income limits as provided by the Tax Credit Allocation Committee and include assumed utility costs as shown in Table 1 below.

**Table 1: Distribution of Affordable Units**

<b>Household Income</b>	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>
30% AMI	\$	\$	\$	\$
50% AMI	\$	\$	\$	\$
60% AMI	\$	\$	\$	\$
70% AMI	\$	\$	\$	\$
80% AMI	\$	\$	\$	\$
<i>Utility Allowance</i>	<i>\$40</i>	<i>\$50</i>	<i>\$60</i>	<i>\$70</i>

- (2) Include the overall AMI weighted average. Please refer to the BMR Phase 2 Guidelines on the City’s website for weighted average calculation methodology:  
<https://www.mountainview.gov/civicax/filebank/blobdload.aspx?BlobID=30779>.
- (3) Residential population. Please indicate if the development is intended for the general population or any special-needs population. If the latter, please specify.



- (4) City subsidy requested in total for the affordable units and on a per-unit basis.
  - (5) Assumed external funding sources and brief description of reasonable due diligence conducted to determine eligibility and competitiveness of each funding source listed. For example, this could include a summary of evaluations conducted by the development team, or noting that the development team has had discussions with the appropriate funding agencies/organizations, to assess project eligibility/competitiveness.
  - (6) Leverage of City subsidy, expressed as a ratio of total external funding sources to City subsidy requested.
- c. Total number of market-rate units (if any).
  - d. Resident services or programming (if any). Additionally, a respondent proposing affordable housing for special needs or the homeless shall specify the appropriate types and level of services that will be provided (including both on-site and/or mobile services brought on-site), and include a description of the development team's experience and/or capacity to effectively implement and finance the ongoing operations.
3. Nonresidential use component.
    - a. Location and description of nonresidential use(s).
    - b. Total square feet (up to 10,000 square feet maximum).
    - c. Description of how the use would add to a sense of place and community.
    - d. City subsidy requested in total for the nonresidential component (for development costs only, if any).
  4. Description of parking program.
    - a. Total project parking spaces, including the Base Scenario of replacing all 160 public parking spaces on-site as stated in Section 1.B.

- (1) If any of the replacement parking is to be provided off-site in an Optional Alternative Scenario as described in Section 1.B., then:
  - (a) If building replacement parking spaces off-site, clearly indicate the number of off-site replacement spaces, the off-site location(s), the process, and timing for delivery of replacement spaces prior to the issuance of final Certificate of Occupancy for Lot 12.
  - (b) If replacement parking is to be provided via a payment to the City, the amount of the payment(s), the number of replacement spaces the payment is intended to represent, whether it is a lump sum or periodic payments, and how the amount of the payment would be sufficient to facilitate the replacement parking off-site.
  - (c) Respondent must demonstrate the feasibility of the off-site or payment options, identify any potential caveats, and strategies to address the caveats.
- b. Estimated number of spaces for the on-site project parking based on the number of residential units and amount of nonresidential square footage. Include: (1) parking spaces per unit for the residential; and (2) spaces per 1,000 square feet for the nonresidential (if any parking spaces are proposed for the nonresidential).
- c. Describe any relevant concepts for the parking facility, including whether the parking facility would be below grade, partially below grade, at grade, above grade, or a combination, and the estimated number of spaces at each grade.
- d. Identification of TDM to facilitate pedestrian- and transit-oriented development and mode-shift away from auto-oriented travel; and parking demand management strategies, including if there are strategies such as for shared parking, valet parking, etc.
5. Identify any deviations from the existing Downtown Precise Plan and methods to address the deviations (such as Precise Plan amendment, etc.).
6. Building on what was submitted for the Lot 12 RFQ, enhanced description/detail of architectural style, design, development quality, and sustainability features/ratings, including a description of height and massing, paying particular attention to facade and street-level design and detail and

- how it would facilitate excellent pedestrian experience, treatment of massing, and how the project would address transitions/buffers from the abutting residential neighborhood using setbacks, step-backs, and/or other design elements.
- a. Include a site analysis diagram, including a description of how the project would address surrounding streets and proposed transitions/buffers to the adjacent residential neighborhood.
  - b. Include photographs or illustrations from similar developments by the development team to illustrate what is being proposed.
7. Building on what was submitted for the Lot 12 RFQ, enhanced description/detail of streetscape design, street parking and consideration for the replacement of any loss of any on-street parking, traffic signal and intersection improvements, other circulation improvements, and utility improvements. State how the RFP submittal has taken or intends to take into account information provided in Section 1.D. regarding additional design criteria/considerations.
  8. Consideration of on-site public pedestrian, bicycle pathways, and other connections. State how the RFP submittal has taken or intends to take into account information provided in Section 1.D. regarding additional design criteria/considerations.
  9. Other design or notable features of key importance to development success.
  10. Description of how the project would facilitate placemaking and add to a sense of place and community, referencing specific elements of the project, including the mixed-use component, architecture and design, and other design features such as public art, publicly accessible open space, or other elements.
  11. Development Schedule that presents the proposed timing for various stages of the development process, including the proposed timing for the completion of community engagement process, project entitlements, anticipated construction, and occupancy for the project.
    - a. The submittal should describe any proposed schedule modifications from the projected Development Schedule described in Section 2.B. of this RFP, including whether the proposal includes any potential phasing.

- b. The submittal should include a narrative statement regarding how community engagement will be conducted for the proposed project based on the development team's prior experience on similar projects.

### Component C: Development Team

Please provide the following description of the development team.

1. Development Team: Summarize the team members of the Development Team, indicate who will serve as the lead developer (if the Development Team is composed of more than one firm), the person who is authorized to represent and negotiate on behalf of the development team ("team representative"), and the lead project manager, including the following specific information:
  - a. Identify the development entity's name, street address, telephone number, fax number, and e-mail address.
  - b. Indicate "team representative" who has the authority to represent and make legally binding commitments and will be responsible for negotiating the Disposition and Development Agreement and ground lease with the City.
  - c. Indicate the name of the team's "project manager" (if different from above).
  - d. Provide an organizational description or chart for the development team that includes the name of each member of the development team and their role for this project. If a development team member was not included in the prior response to the RFQ, please include their resumé.

### Component D: Financing Structure and Respondent Capability

The RFP submittal must demonstrate how the financing structure facilitates the development of the proposed project to meet the City's development specifications as described in Section 1.B. above.

All respondents must submit information for Component D based on the Base Scenario, which includes replacement of 160 public parking spaces on-site and a 4 percent tax credit execution. Respondents may also optionally submit financing documents based on a 9 percent or hybrid (4 percent and 9 percent) execution and/or replacement of a portion of the replacement parking off-site, in addition to the Base Scenario.

The pro forma financial spreadsheet for the Base Scenario and any Alternative Scenarios should be submitted in Excel format, and it should include the tables contained in the Lot 12 RFP financial pro forma template, which can be downloaded from [www.mountainview.gov/lot12](http://www.mountainview.gov/lot12). Respondents may use the Excel template or their own Excel spreadsheet as long as it contains the information requested per the sample pro forma.

1. Financial pro forma.
  - a. Project pro forma covering the predevelopment and construction periods and first 15 years of projected operation in Microsoft Excel format.
    - (1) Base Scenario (Required): Full replacement of all 160 parking spaces on-site in underground garage.
    - (2) Alternative Scenario (Optional): Respondents who choose to incorporate a 9 percent or hybrid execution and/or replace parking spaces off-site must submit a complete set of project financing documents representing the Alternative Scenario(s), in addition to the project financing documents representing the Base Scenario.
2. Rent schedule for the residential units and any nonresidential space.
  - a. The rents for the affordable units must be consistent with the maximum affordable rents (adjusted for the utility allowance) by household income.
  - b. Projected rents for the retail and any other nonresidential space need to take into account the intended use and clearly indicate whether there is an expectation for additional revenue generation from reimbursable expenses or Common Area Maintenance (CAM) charges.
3. Projected annual operating expense budget, which is based on actual operating budget for a comparable development that includes ground-floor nonresidential uses.
4. Project development budget, including land costs, direct and indirect construction costs, and financing costs, which are apportioned and separately itemized for replacement public parking, residential, and nonresidential uses, as shown on the downloadable RFP pro forma spreadsheet.
  - a. The budget should include supporting information documenting the basis for the hard construction and soft cost estimates, including any assumed contingency and escalation factors.

- b. For consistency, the development budget should assume a 5 percent hard cost construction contingency and a 10 percent soft cost contingency line item.
5. Annual ground lease payment terms (including timing and calculation of minimum rent, residual receipts payments, inflationary escalation factors, etc.).
- a. Proposed term of ground lease, requirements for extensions, and proposed deferrals of ground lease payments, if any.
  - b. Any and all annual ground lease payments, including base (minimum) rent payments and any other ground lease payments from execution of ground lease through predevelopment, construction, and 15 years of operations, and describe the basis and timing for periodic upward adjustments, if any.
    - (1) For the Base Scenario, a fixed base rent of \$1 per year can be assumed for the annual ground lease payment starting from execution of the ground lease.
    - (2) For optional Alternative Scenarios that include a ground lease payment greater than the \$1 annual rent in the Base Scenario, proposers should specify the ground lease terms as described above. Note that City staff estimates that the current market value of the land is between \$10 million and \$15 million per acre at its highest and best use depending on location, site conditions, and development characteristics.
6. Describe the financial structure that will preserve affordability for the affordable housing after the property is sold or recapitalized and any potential City participation in recapitalization and/or capital events (such as sale or refinancing), if applicable.
7. Proposed sources and uses, which includes the sources of construction and permanent financing from proposed County, regional, State, Federal, private, philanthropic, City, or other sources that would be used, along with supporting calculations for Low-Income Housing Tax Credits and other sources of outside funding, as relevant.
- a. Construction and Permanent “Sources and Uses” tables for the proposed development, which separately identifies the sources and uses for the

replacement public parking, affordable housing, and nonresidential components.

- b. Amount of proposed developer fee and whether any portion will be deferred or contributed as General Partner equity.
  - c. Demonstration in RFP response of how the proposed development will qualify and score highly for non-City funding that is competitively awarded.
  - d. Delineation of proposed financial contribution from the City as follows:
    - (1) Replacement public parking.
      - (a) Subsidy requested in total and on a per-parking-space basis.
    - (2) Affordable housing.
      - (a) Subsidy requested in total and on a per-unit basis for the affordable housing component, including any predevelopment costs.
    - (3) Nonresidential.
      - (a) Subsidy requested in total and on a per-square-foot basis.
    - (4) Total City subsidy requested.
8. Cash flow projection that shows annual contribution of City funds prior to occupancy and a 15-year operating cash flow.
- a. Describe the proposed timing for the City subsidies requested and the proposed financial terms for each component (e.g., specify whether funds are to be provided as a grant or a residual receipts loan and, if so, on what terms).
  - b. If the use of project-based Section 8 rental assistance is proposed, indicate likelihood of securing the funding and how much additional funding may be needed if Section 8 rental assistance is not available.
9. Respondent Financial Capability: The City reserves the right to request supporting financial information from the development team to demonstrate

that the team has the financial capacity and commitment to complete the proposed project, including audited financial statements.

The City recognizes the sensitive nature of the financial information requested in this RFP. All proposals are considered confidential until the City enters into a ground lease and DDA with the selected developer, at which time the proposals may become public information and available to the public for review. Any financial information that the respondent wishes to be confidential should be submitted under separate cover with the response to this RFP and marked "Confidential." During the RFP review process, the City may request to receive additional information regarding the financial proposal in a Microsoft Excel table format to facilitate review.

## B. RFP EVALUATION CRITERIA

The following evaluation criteria will be used to recommend the top qualifying development team for this RFP. The City may, during the RFP evaluation process, request additional information from any respondent that the City deems necessary to determine the respondent's ability to deliver the proposed project.

1. Development Program and Design (50 Percent):
  - a. Responsiveness and completeness of the response to the RFP Components A through D discussed above, and reasonableness of proposed development schedule, including process for community engagement. (10 percent)
  - b. Quality of proposed development and how well it addresses the Lot 12 development specifications presented in Section 1.B. of the RFP. (40 percent total)
    - Overall quality, including the affordable housing program and (if any) nonresidential program. (20 percent)
    - Quality and feasibility of the parking plan and design, including how all 160 public parking spaces will be replaced. (10 percent)
    - Quality of design, including massing, transitions, and facilitation of excellent pedestrian realm. (10 percent)



## 2. Financial (50 Percent):

- Thoroughness of documents related to project financing and reasonableness of financial assumptions and financing strategy. (20 percent)
- Clarity of project financing documents in terms of: (1) readability; and (2) clear delineation and appropriate assignment of project costs by uses (i.e., affordable, nonresidential, and replacement parking), such as delineating the costs of replacement parking from the affordable housing component. (10 percent)
- Subsidy requests. (20 percent)
  - Demonstration in RFP response of how the proposed development will qualify and score highly for non-City funding that is competitively awarded for each external funding source identified, including documentation of reasonable due diligence conducted to determine likelihood of securing external funding for each funding source listed.
  - Clear request for City subsidy in total and by project uses (i.e., clearly identify the amount of subsidy request for affordable housing, nonresidential, replacement parking, respectively, if any). For the subsidy requests by uses, also include the average per-unit subsidy request per affordable housing unit, per square foot of nonresidential (if any), and per replacement parking space (if any).
  - Amount of external funding leveraged. Although a lower per-unit City subsidy and/or a higher amount of external leveraging would generally be more favorably considered, there are other factors that will be considered regarding evaluation of the subsidy amount. For example, deeper income targeting could result in a higher per-unit subsidy request but would not necessarily result in a lower score.

## SECTION 5 – REFERENCE DOCUMENTS

Reference materials that pertain to this RFP can be found online at:  
[www.mountainview.gov/lot12](http://www.mountainview.gov/lot12).

Such reference materials shall include, but not be limited, to the following:

- RFP announcement
- Prior City Council Study Sessions
- City-Initiated Actions
  - Phase I and II environmental site assessments
  - A.L.T.A. Survey
  - Parcel Map
- Sample ERNA
- Sample Ground Lease Agreement
- Sample Disposition and Development Agreement
- Current Downtown Precise Plan
- Below-Market-Rate Housing Program Guidelines

Information on the Lot 12 RFP website may be periodically updated, and it is the sole responsibility of interested respondents to stay up-to-date on the information posted.

## SECTION 6 – DEADLINE AND DELIVERY OF RFP SUBMITTAL

One (1) signed original hard copy with wet signature, plus eight (8) hard copies, are required as part of the response to this RFP and **must be received by 5:00 p.m. Pacific Standard Time on March 2, 2020** via one of the below addresses:

1. Via U.S. Postal Service, send to:

City of Mountain View  
Attention: Grace Montgomery  
Community Development Department  
P.O. Box 7540  
Mountain View, CA 94039-7540

2. Via delivery service (e.g., UPS, FedEx, etc.) or hand-deliveries, send to:

City of Mountain View  
Attention: Grace Montgomery  
Community Development Department  
500 Castro Street  
Mountain View, CA 94041-2021

All hard copies of the submittal must be enclosed in a sealed envelope. The face of the envelope must reference “Lot 12 RFP” and include the name and address of the submitting organization(s). The City of Mountain View will not provide any preselection information concerning the status of submittals other than the acknowledgment that they were received. Responders must number all pages of the RFP submittal and follow the same format under Section 4 of this RFP. In addition, one (1) electronic response to this RFP via thumb drive (in PDF format) must be submitted with the hard copies.

**Submittals received after the due date and time or in another location will not qualify for this RFP and will be returned unopened.** The development team should allow for sufficient mail delivery time to ensure timely receipt by the issuing office. Any response, modification to responses, or request for withdrawal of responses arriving after the closing date and time will be considered late and be disqualified. Delivery of the RFP response to the specified location by the prescribed time and date is the sole responsibility of responders.

As noted above in the Project Schedule, the City will hold a Presubmittal Conference for invited respondents on January 6, 2020 from 2:00 p.m. to 3:30 p.m. This meeting will be held in the Plaza Conference Room, Second Floor, City Hall, 500 Castro Street, Mountain View. In-person attendance is required.

## SECTION 7 – QUESTIONS AND CORRESPONDENCE

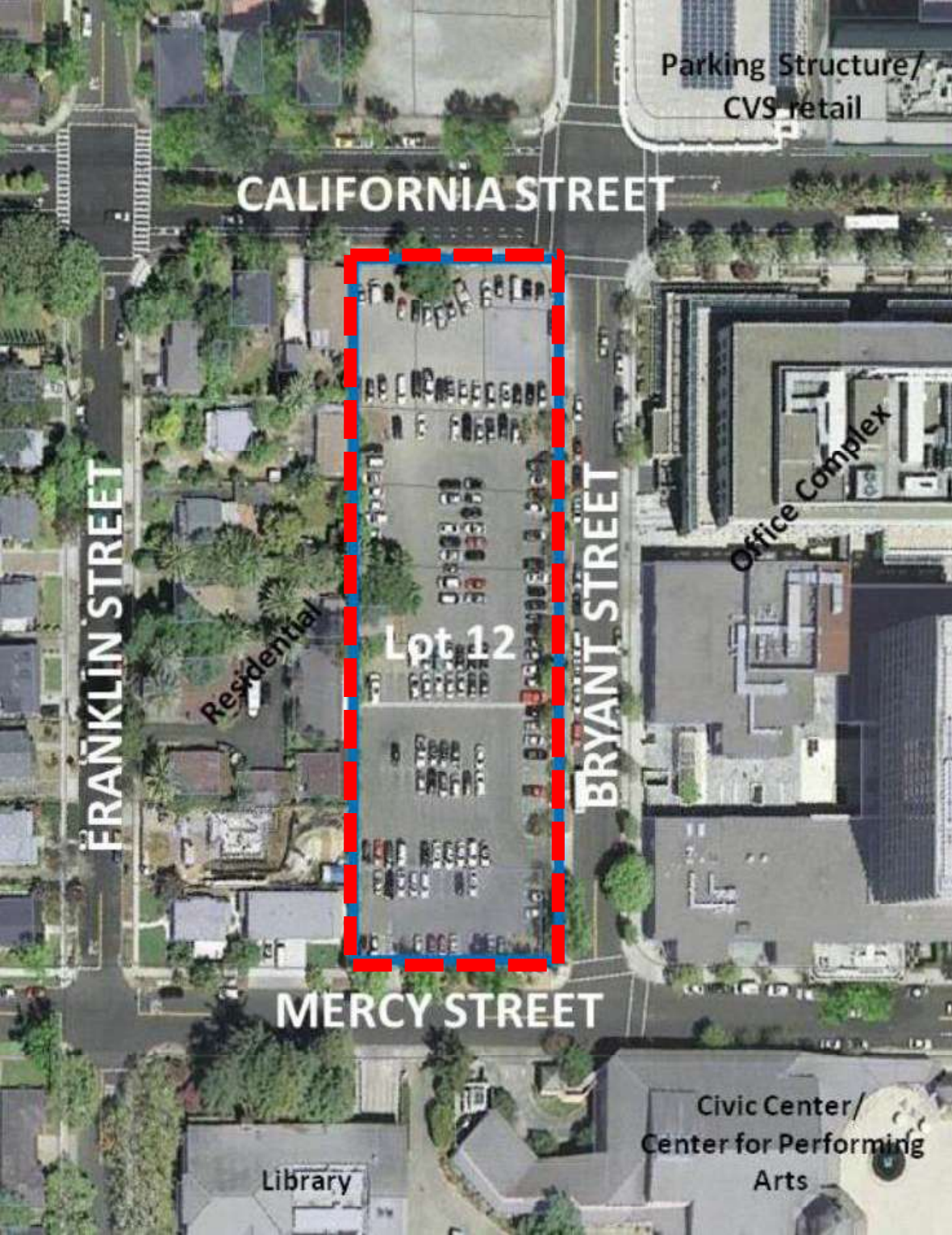
All questions regarding the RFP document, the property, and/or the process must be sent in writing no later than January 13, 2020, 5:00 p.m. Pacific Standard Time to:

Grace Montgomery  
Community Development Department  
City of Mountain View  
500 Castro Street, First Floor  
Mountain View, CA 94041  
[grace.montgomery@mountainview.gov](mailto:grace.montgomery@mountainview.gov)  
650-903-6455

Only Lot 12 RFQ respondents are allowed to submit a proposal for the Lot 12 RFP.

ATTACHMENT A – MAP OF LOT 12





# ATTACHMENT B – MAP OF DOWNTOWN PARKING LOTS

