

Addendum #1 to the Request for Proposals (RFP) for the Future Affordable Housing Development at 965 Weeks Street

1. Proposal Submittal Date. Proposals are due September 14th, 2018. Please disregard the typographical error on page 8 of the RFP.
2. Scoring Criteria, Units. The scoring criteria for the Total Number of Proposed units on page 14 of the RFP shall be modified as follows:
 - a. More than 100 units – 20 points
 - b. 91 – 100 units - 10
 - c. Fewer than 90 units – 0 points
3. Scoring Criteria, Cost of Land. The scoring criteria for the Requested Financial Assistance from the City on page 14 of the RFP shall not take into account the cost of land.
4. Financial Modeling. Respondents shall not include Project Based Vouchers in their financial modeling.
5. Right of Final Selection. The City Council reserves the right of final selection.
6. Additional Required Documents. Respondents are also expected to complete and submit the Project Questionnaire and Unit Mix Worksheet, which will be available on the City of East Palo Alto's website. Respondents shall fill out the bottom portion of the Unit Mix Worksheet; the top portion provides an example of the form's functionality.
7. Site Plan and Elevations. At a minimum, respondents shall submit a site plan and elevations of the proposed project.
8. Proposed Financing Plan. Section 3 of the Scoring Criteria for Qualified Respondents' "Requested Financial Assistance from the City" will be modified to a qualitative narrative describing the proposed financing plan. A maximum of 10 points may be awarded for this section, dependent upon the level of detail provided.

In the narrative, respondents shall provide detailed information regarding any and all soft sources that they believe could be used for the 965 Weeks project, including the following entities: County, AHSC, or any other source of funding that has already been approved. Respondents shall not assume any funding resulting from Proposition 1, which has yet to achieve voter approval. Respondents shall include an estimated request for City funding, a per unit subsidy for both 4% and 9% assumptions, assuming all other described funding sources are secured.

9. Impact Fees. For the purposes of this RFP, respondents shall assume impact fees at \$25,000 per unit. Note - the City is in the process of updating various impact fees, which are therefore subject to change.
10. Property Value. For the purposes of the RFP, respondents shall utilize a property value of \$15 million for the 965 Weeks Street site in their financial modeling.
11. Property Development Standards. For the purposes of this RFP, respondents shall utilize Exhibit C *Property Development Standards* to respond to the RFP rather than the City's newly adopted Development Code:
12. Parking Requirements. For the purposes of the RFP, the City will only grade proposals based on the City's current parking requirements. Once a development team is selected, the City will engage in conversations around Density Bonus concessions and/or potential parking reductions based on the populations being served at the property.
13. The Underwriting and Cost Guidelines. The use of Exhibit D *Underwriting and Cost Guidelines* is required to ensure that all responses may be reviewed fairly. Respondents shall not deviate from the requirements of Exhibit D, yet the respondent's narrative may provide qualitative information regarding potential strategies for lowering costs based on their experience with recent projects.

While Exhibit D may differ from recent TCAC adjustments to their Operating Expenses and other underwriting criteria, respondents shall utilize the figures provided in Exhibit D. Following the City Council's selection, the City and the selected development team will negotiate all terms and conditions of the project.

14. Environmental Review. The City is not aware of any environmental review being conducted on the site.
15. Residual Receipts. Respondents shall assume the split in residual receipts is 50/50 between the City and developer before the developer fee is paid. The residual receipt structure will likely change depending on what other governmental lenders provide financial subsidies to the project. These terms will all be negotiated with the selected development team later.
16. Timeline of Planning Entitlements. Based on the City's goal of identifying a partner developer in Winter 2018, respondents should assume that the 965 Weeks Street project could be entitled by October 31, 2019.
17. Page Limit. The 20-page limit noted on page 10 of the RFP is a guideline rather than a requirement. There is no penalty for exceeding this limit.

18. Please utilize Exhibits B & C of the RFP to obtain information on the following:

- a. Open Space
- b. Parking
- c. Setbacks
- d. View Plans
- e. Lot Coverage Percentages
- f. Street Frontage Maximums
- g. Building Separation Requirements