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736 F Street
Arcata CA 95521

City Manager
707-822-5953

Environmental Services
707-822-8184

Police
707-822-2428

Recreation
707-822-7091

Community Development
707-822-5955

Finance
707-822-5951

Engineering
707-825-2128

Transportation
707-822-3775

March 4, 2019

Humboldt County Department of Health and Human Services
Attention: Jarod Proffitt, Administrative Services Officer
507 F Street
Eureka, CA 95501

To Whom It May Concern:

The City of Arcata requests funding from the County of Humboldt under the Homeless Emergency Aid Program (HEAP). The funding would be used to purchase and install five new one-bedroom manufactured homes in the Arcata Mobilehome Park, to be used as permanent housing for people meeting the "Target Population" definition in the RFP. The City would enter into a Regulatory Agreement with the park owner, Resident Owned Parks (ROP), to set aside the five new units to be rented to youth and adults experiencing or at imminent risk of homelessness.

The City has been successful in creating deed restricted affordable housing with the use of recorded Regulatory Agreements that restrict occupancy to low-income residents. ROP has partnered with the City in the past to create affordable housing, and Arcata Mobilehome Park is an affordable housing community and all of the sites fall under a current Regulatory Agreement. There are five vacant spaces in the park to which ROP is willing to add five units, and set them aside exclusively as rental units for the Target Population. The Regulatory Agreement would require that the units be rented only to the Target Population, and would allow the City to monitor ROP for compliance with HEAP regulations.

We appreciate your consideration of the City's application.

Sincerely,

Karen T. Diemer
City Manager

**REQUEST FOR PROPOSALS – NO. DHHS2019-01
HOMELESS EMERGENCY AID PROGRAM**


**ATTACHMENT A – SIGNATURE AFFIDAVIT
(Submit With Proposal)**

REQUEST FOR PROPOSALS – NO. DHHS2019-01 SIGNATURE AFFIDAVIT	
NAME OF ORGANIZATION/AGENCY:	City of Arcata
STREET ADDRESS:	736 F Street
CITY, STATE, ZIP	Arcata, CA 95521
CONTACT PERSON:	Jennifer Dart
PHONE #:	707-825-2112
FAX #:	
EMAIL:	jdart@cityofarcata.org

Government Code Sections 6250, *et seq.*, the “Public Records Act,” define a public record as any writing containing information relating to the conduct of public business. The Public Records Act 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.

In signing this Proposal, I certify that this firm has not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or agency to submit or not to submit a Proposal; that this Proposal has been independently arrived at without collusion with any other Proposer, competitor or potential competitor; that this Proposal has not been knowingly disclosed prior to the opening of Proposals to any other Proposer or competitor; that the above statement is accurate under penalty of perjury.

The undersigned is an authorized representative of the above-named agency and hereby agrees to all the terms, conditions and specifications required by the County in Request for Proposals No. DHHS 2019-01 and declares that the attached Proposal and pricing are in conformity therewith.

 _____ Signature	<u>3.12.19</u> _____ Date
<u>Karen T. Diemer</u> _____ Name <u>City Manager, City of Arcata</u>	<u>3-12-19</u> _____ Date

This agency hereby acknowledges receipt / review of the following Addendum(s), if any
Addendum # [] Addendum # [] Addendum # [] Addendum # []

4.0 Professional Profile

A. Organizational Overview.

1. Organization Name: City of Arcata

Address: 736 F Street, Arcata, CA 95521

Mission Statement: The City does not have a mission statement per se, but the City Council has adopted, as one of its goals, support for diverse housing opportunities.

Legal Organizational Status: Incorporated City Government

Current Staffing: Approximately 194 full and part-time employees, 4 of which would work on this project.

2. Description of Current and Previous Activities:

- a. The City of Arcata was incorporated in 1858, and over the years has participated in numerous high quality and innovative affordable housing projects, in addition to programs which assist low-income residents throughout its history. Examples include the Sandpiper low income housing project and our Tenant-Based Rental Assistance Program.
 - b. The City of Arcata has been operating under its present organization for 161 years. The Community Development Department, formerly the Redevelopment Agency, was created April 15, 1983.
 - c. For the past 35 years, the Community Development Department of the City of Arcata has provided affordable housing services, along with more than 15 successful capital improvement projects.
 - d. The City is itself a government agency, and has worked with multiple State and Federal funding sources and agencies to assist with housing development in our jurisdiction.
3. None
4. None
5. None
6. None
7. The City holds a Note, Deed, and Regulatory Agreement for Resident Owned Parks (ROP) relating to both Sandpiper Park and Arcata Mobilehome Park. The City does not have a controlling interest in any other organization.

B. Overview of Qualifications and Experience.

1. Overall Experience – Providing Service and Capital Improvements:

Proposer: The City of Arcata has worked on more than 15 successful affordable housing capital improvement projects including: Arcata Bay Crossing, Arcata Gardens Apartments, Arcata Mobilehome Park, Bayview Courtyard Apartments, Courtyard Apartments (Phase 1, 2 & 3), Creamery Row, Janes Creek Meadows, Juniper Apartments, Meadowbrook Apartments, Plaza Point, Plum Village, River Community Homes, Sandpiper Park, and Windsong Duplexes.

Subcontractor: Resident Owned Parks (ROP), as the nonprofit owner and manager of Arcata Mobilehome Park, is uniquely qualified and has the requisite experience to complete the required capital improvements and serve the beneficiaries of the HEAP program. ROP successfully redeveloped ROP-owned Sandpiper Park at 115 G Street, Arcata, CA in partnership with the City of Arcata from 2010-2013, as one of the last projects funded from the State of California Redevelopment Funding. For this project, ROP staff successfully relocated remaining Sandpiper Park residents; and worked with local engineering firms, contractors, and PG&E to demolish old facilities and infrastructure; construct all-new water, sewer, electric and gas infrastructure; design, order and install 16 new one-bedroom energy efficient manufactured homes with their own driveways or parking places; construct a two-story common area building which houses the park office and laundry room; and build 3 rental apartments, one of which is fully ADA accessible.

While “tiny homes” is currently a popular term, ROP and the City of Arcata successfully developed and completed Sandpiper Park six years ago as one of the first tiny home communities in the country. ROP and its staff have overseen the replacement of mobilehome park water, gas, and electrical systems at several other ROP-owned and managed parks including the 336 space Windsor Mobile Country Club in Sonoma County, and the 139 space Niles East Mobile Estates in Kern County.

2. Knowledge of Legal and Procedural Requirements:

Proposer: The City of Arcata and its staff have working knowledge of the legal and procedural requirements pertaining to this HEAP proposal. City staff is familiar with State and Federal funding requirements including reporting, relocation, labor standards, and compliance monitoring requirements. The City of Arcata has completed capital improvement projects and run housing programs by applying for funding through the Community Development Block Grant (CDBG) program, the HOME Investment Partnership program, as well as Redevelopment Agency funds prior to the Agency dissolution. The City has knowledge of and consistently complies with the various requirements and restrictions of these programs.

Subcontractor: ROP is familiar with the City and State procedures having to do with licensing and construction within mobilehome communities, and adheres to compliance with regulatory agreements as a condition of government funding for projects to preserve affordable housing for persons of limited income.

3. Staff Member Qualifications and Experience:

Karen T. Diemer, City Manager: Karen Diemer was appointed City Manager in November 2014 and manages the day-to-day operations of the City. She oversees all departments of the City, including public safety, community development, finance, environmental services, engineering, parks and recreation, and administration. Ms. Diemer is the authorized to enter into and sign agreements and contracts, and to execute all documents related to the County of Humboldt Homeless Emergency Aid Program.

David Loya, Director of Community Development: David Loya is the Director of Community Development and was the Deputy Director for 7 years prior to becoming Director. He has a combined total of 10 years' experience running and managing CDBG and HOME programs and projects. Mr. Loya has completed or overseen the planning and development of two multiunit First Time Homebuyer projects, three multi-unit new construction rental projects, and several single family acquisition and rehabilitation projects. Mr. Loya oversees financial tracking, project monitoring; quarterly and annual reporting; contract compliance oversight; labor standards monitoring; NEPA Environmental Review compliance; and other Federal Overlay requirements on a full range of programs and projects. Mr. Loya regularly attends the Arcata Homelessness Task Force meetings.

Jennifer Dart, Deputy Director of Community Development: Jennifer Dart is the Deputy Director of Community Development, and was the Community Development Specialist II for 5 years prior to becoming Deputy Director. She has worked with City of Arcata housing programs and projects, including HOME, CDBG, and Redevelopment Agency projects, since September 2013. Ms. Dart monitors residential and commercial projects for compliance with City, State and Federal requirements. In addition, Ms. Dart has worked on two CDBG-funded off-site improvement projects in support of multi-family housing projects and one multi-family rehab project. Ms. Dart underwrites program loans, completes financial tracking, project monitoring, monthly, quarterly, semi-annual and annual reporting, contract compliance, construction management, and oversees third party loan servicing, labor standards monitoring, NEPA Environmental Review compliance, and other Federal Overlay requirements.

Willa Darley Chapin, Community Development Specialist II: Willa Darley Chapin has worked with the City of Arcata Community Development Department since June 2018. Ms. Darley Chapin currently runs the City's Tenant-Based Rental Assistance Program, reviews contracts for compliance with state and federal regulations, and assists with grant writing and monitoring. She also assists with annual project monitoring for multi-family residential projects assisted with grant funds.

Maurice A. Priest, President of ROP: Maurice Priest was appointed by the State Bar of California in 1982 as the first Chairman of the State Bar Committee on Mobilehome Law. He was a member of the State Department of Housing and Community Development (HCD) Mobilehome Park Task Force for over 10 years, and was a registered lobbyist at the State Capitol for 28 years as an advocate for mobilehome owners and affordable housing.

Diane Priest, Secretary/Treasurer, Director, and Vice President of Property Management: Diane Priest has over 25 years of experience as a property manager, with particular expertise in mobilehome park management. She oversees the hiring and training of all park resident managers and assistant managers, and oversees park management requirements for state and local governments and lenders. She oversees all income certifications for low-income residents of ROP communities, assuring continued compliance with lenders.

4. Qualifications and Experience that Meet Program Objectives, Local Funding Priorities, Requirements, and Specification and Standards Set Forth in the RFP:

Proposer Qualifications and Experience: The City of Arcata's Community Development Department has partnered with multiple different developers and non-profit groups to assist with the development of affordable housing in Arcata. These developments include housing specifically designed and built for seniors, families, and mentally ill homeless people.

Staff is familiar with permanent supportive housing and has worked with Arcata House Partnership to facilitate their outreach efforts. For over a year the City has also held monthly meetings of the Arcata Homelessness Task Force in order to address the needs of the homeless population. The City also currently runs a Tenant-Based Rental Assistance Program (TBRA) which assists low-income community members obtain quality affordable housing. Senior citizens and homeless applicants receive priority for TBRA program funding.

Subcontractor Qualifications and Experience: Since its formation in 2001, ROP has been committed to its IRS-approved nonprofit purpose of providing affordable housing to persons of low and moderate income.

Since its first acquisition of Niles East in Bakersfield in 2003, ROP has complied with regulatory agreements of HCD. Funding provided to ROP by the City of Arcata in 2006-2007 for the ROP acquisition of Sandpiper Park and Arcata Mobilehome Park requires ROP compliance with regulatory agreements; as has Sonoma County as a condition of its funding for ROP's acquisition of Blue Spruce Mobilehome Lodge in Sebastopol in 2011. Further, since 2013 ROP has complied with quarterly reporting requirements based on its tax-exempt bond financing for Windsor Mobile Country Club in Sonoma County. Based on ROP's operation, management and maintenance of Windsor Mobile Country Club, in December, 2016, Standard & Poor's gave ROP a bond rating of "A-", a rating higher than many Fortune 500 companies.

5.0 Project Description

A. Project Design.

1. Description of Overall Goals:

- a. The proposed project would serve five (5) individuals at one time (though one “individual” could comprise a couple, or a parent and child). The proposed units would be regulated by a Regulatory Agreement under which they would be rented only to qualified individuals that meet the definition of “Target Population” in the HEAP RFP (1.1 Terms) over a period of 20 years.
- b. The project would not be exclusive to Arcata residents, but would be open to any person meeting the “Target Population” definition. The park owner, ROP, would, as part of the Regulatory Agreement with the City, agree to accept placements from local social services agencies including, but not limited to: Humboldt County Department of Health and Human Services (DHHS), Arcata House Partnership, and Arcata’s Tenant Based Rental Assistance Program. As part of the Regulatory Agreement, ROP would be required to enter into a contract with at least one service agency.
- c. The proposed project would add an additional five homes specifically set aside to permanently house the Target Population. Funding is available from multiple sources to assist with rental costs for homeless individuals, and may include: Section 8 Vouchers, Cal-Works, City of Arcata’s Tenant-Based Rental Assistance Program, Permanent Supportive Housing, Rapid Rehousing, HUD VASH, and other subsidies as available. Tenants could also pay their own rent if their income allows. ROP would be required to accept rental assistance funding for the five units assisted with HEAP funding. The five units would be maintained for housing the Target Population for a minimum of 20 years.

The overall goal of the City’s proposed HEAP project is to create five additional units of permanent supportive housing specifically set aside to house homeless individuals or individuals at risk of homelessness. The City will enter into a Regulatory Agreement with Resident Owned Parks Inc. (ROP), the owner of Arcata Mobilehome Park for the use of HEAP funds for the five manufactured homes. The Regulatory Agreement is a recorded document that details specific requirements for residency in the five assisted units, as well as the documentation and reporting requirements for ROP. The Regulatory Agreement will include (unless upon legal review an item is determined to not be applicable to HEAP funding) all of the following: compliance with HEAP program requirements, term of the agreement, tenant selection standards, management plan, nondiscrimination, rental agreement and occupancy standards, rent, security deposits, certification of tenant income and household size, maintenance and management, hazard and liability insurance, annual report, city review and inspections, annual operating budget, required reserves, use of income from operations, residual receipts and distributions, accounting records, non-assisted units

and common areas, restrictions on sale, encumbrance and other acts, violation of regulatory agreement by borrower, and all other applicable legal language required.

2. Target Population to be Served, and Benefit to Individuals:

The Target Population for the proposed HEAP capital improvement project is adults or youth experiencing homelessness or at imminent risk of homelessness, including: chronically homeless individuals, adults or youth exiting institutions, homeless individuals fleeing domestic violence, and homeless adults and youth diagnosed with mental illness.

The project will benefit the individuals mentioned above by providing permanent, safe, stable, affordable housing to these individuals.

3. Proposed Project Operating Subsidies, Timelines, and Unit Breakdown and Affordability Levels:

The City may use Community Development Block Grant (CDBG) Program Income funds to assist with necessary off-site improvements required for the addition of the five proposed mobilehome units. Depending on timing and availability of the program and funding, the City may use HOME Tenant-Based Rental Assistance program funds to assist the target population with security deposits, utility deposits, and rental costs if necessary.

The timeline to implement the project is approximately nine months. Should the project be approved in June, 2019, completion would be in March, 2020. (See A.5 below for details.)

The units will be rented at fair market rent levels per HUD's Fair Market Rent Documentation System. All units will be restricted for rent to low-income tenants as identified by HCD's income limits for the County of Humboldt.

4. Services That Will Be Provided as Part of the Proposed Project:

The proposed HEAP project funding would be strictly for the purchase and installation of housing units; however, as a condition of funding for the project the City will require ROP to enter into an agreement with a service provider to assist with tenant placement for the five HEAP assisted units.

ROP will also be required, as a condition of funding, to accept all forms of rental assistance funding that the service provider may use depending on the needs and qualifications of the tenant being considered for rental placement. The two service providers currently being considered – Arcata House Partnership and DHHS – will utilize the County's Coordinated Entry System to match members of the Target Population to the units as they become available.

5. Capital Improvements and Construction Timeline:

The proposal includes the purchase and installation of 5 new one-bedroom manufactured homes, one of which will be ADA accessible with ramp access. The five new manufactured homes will be on permanent foundations and will be served by City water and sewer, as well as electric and gas. The units will all be installed on currently unoccupied sites at Arcata Mobilehome Park located at 3022 Alliance Road, Arcata.

Construction Timeline:

Assuming that approval of the HEAP proposal is announced in June 2019, the following construction timeline is anticipated:

July – September 2019	Drafting, revisions, and approval of required contracts.
August 1, 2019	Completion of plans for new electrical and gas (Whitchurch Engineering).
August 30, 2019	Requests for Bids from contractors.
September 30, 2019	Contractor bid deadline.
October 10, 2019	Review and award of construction bid(s).
November 15, 2019	Order of 5 new manufactured homes. Estimate 90 days to complete.
January 31, 2020	All new electrical, gas, and common area building are complete.
February 15, 2020	Commence installation of new manufactured homes.
March 15, 2020	Completion of new manufactured home installations and occupancy by approved HEAP beneficiaries.

6. Staffing, and Staffing Level Determinations for Effective and Efficient Implementation:

Estimated staffing requirements are based on the City's Community Development Department's experience with both small and large projects. By the time HEAP approvals are given in June, 2019, the Department will have two Community Development Specialists II on staff, along with the Deputy Director and Director to provide general oversight.

Two City staff members will oversee the project and complete all regulatory requirements of the HEAP program.

The City attorney will review the legal documents including, but not limited to, the Regulatory Agreement.

The City Manager was authorized on March 6, 2019 by City Council Resolution No. 189-48, to sign documents related to the HEAP application.

Upon installation of the homes and tenancy of the Target Population, City staff will manage ongoing monitoring per HEAP requirements and the restrictions of the Regulatory Agreement to ensure compliance with the HEAP program.

ROP will additionally provide onsite property management staffing in order to ensure proper documentation and communication with Arcata House Partnership or DHHS staff.

7. Connection of the Target Population to Appropriate Services and Resources:

The Regulatory Agreement will require that ROP enter into contract with a service provider (Arcata House Partnership or DHHS) which will work with the property manager to identify members of the Target Population to rent the five units.

The service provider will be responsible for coordinating services for the individuals housed in the five units, including medical and behavioral health care, employment, benefits advocacy, and legal assistance services.

8. Collection of Data and Entry into Humboldt County's Homeless Management Information System:

The proposal is to fund the purchase and installation of five new mobile home units which would be used strictly for permanent supportive housing for members of the Target Population. The City's Regulatory Agreement under the proposal would require a contract with one or more homeless service providers that currently report data to the County. The service provider(s) would be responsible for analyzing and entering program and client-level data into the County's Homeless Management Information System, as they currently do.

9. Continuity of Services and Capital Improvements:

ROP will be required to maintain the proposed five (5) units for a minimum of 20 years, with tenancy strictly limited to members of the Target Population, as determined by the contracted service provider.

After the 20-year period, the City and ROP would evaluate the continuing need for the units.

10. Adherence of the Proposed Project to Humboldt County Housing First Principles:

The City of Arcata supports the County's Housing First Principles. The Regulatory Agreement with ROP would include a requirement that service providers ROP receives tenants from must use the Housing First Principles. Both service providers we have identified as potential providers to contract with for this project – Arcata House Partnership and DHHS – use Housing First Principles and have existing policies in place for doing so.

11. Article XXXIV Compliance or Exemption:

The project is exempt from Article XXXIV. Measure L (Housing Development for Elderly, Handicapped, and Low Income Households) was approved through a Municipal Election which was held in the City of Arcata on April 14, 1992.

B. Project Budget.

The costs and expenses itemized on Attachment B are based on the City and ROP research, and information from manufactured home dealers. The City will follow a standard bid process per our procurement procedures once funding is committed to the project.

The budget below identified total project costs, amounts which would be allocated to HEAP approval, and amounts which would be allocated to CDBG or other funding. Details for line items allocated to HEAP may be found on Attachment B.

Item	HEAP	Other
Plans and Construction Supervision for New Electrical and Gas Systems	25,000	
Construction of Electrical and Gas Systems (\$11,000 per 35 systems)		385,000
Rehabilitate Site-Built Cottage for Property Manager		20,000
Construction and Permits for New Laundry / Office / Conference Room Structure		<u>60,000</u>
4 New Energy Efficient 1 bed / 1 bath Manufactured Home	236,000	
1 New Fully ADA Energy Efficient 1 bed / 1 bath Manufactured Home	7,000	
Permits and Setup for 4 Manufactured Homes	50,000	
Permits and Setup for 1 ADA Accessible Home	17,500	
Transportation for 5 Manufactured Homes	17,500	
Demo and Disposal of 1 Old Home (No Tenant Displacement)	2,500	
5 Single Car Driveways	<u>22,500</u>	
ALLOCATED COSTS	450,000	465,000
TOTAL COST	915,000	

