



INLAND REGIONAL CENTER

...valuing independence, inclusion and empowerment

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Request for Proposals:

Non-Profit Housing Corporation

Property Acquisition and Renovation

Fiscal Year 2016-2017

SUMMARY OF PROJECTS

The Lanterman Act, as interpreted by the California Supreme Court in *ARC-CA vs. DDS*, determined that a primary function of regional centers is to “prevent or minimize the institutionalization of developmentally disabled persons”. Inland Regional Center (IRC), will use Community Placement Plan (CPP) funds to acquire and develop permanent, accessible homes in the community, owned by non-profit housing corporations, for the use of individuals at risk of, or currently residing in, state developmental centers. Inland Regional Center is seeking proposals for the acquisition and renovation of three (3) single family homes, which will be available with long-term leases for residential service providers selected and vendored by IRC. The applicant may apply for grants for both the acquisition and renovation in a single proposal. Grant funds to acquire the home will be for a total of three (3) properties. Grant funding for renovating the home is available for modifications required to meet the support needs of the individuals referred, and to meet the licensing standards that will apply to the residents referred. To ensure that homes developed using CPP funds are always available for use by individuals served by IRC, real estate deed restriction or restrictive covenants are required for each property purchased with these funds by the Non-Profit Organization (NPO). These deed restrictions or restrictive covenants must place specific limitations on the use of the property. Each property will be developed in accordance with the Fiscal Year 2016-2017 Community Placement Plan Housing Guidelines issued by the State of California, Department of Developmental Services. (Attachment A)

Interested parties are invited to submit a proposal in accordance with the specifications contained in this Request for Proposal (RFP) to acquire and renovate one (1) to three (3) single family properties for long-term lease to a service provider supporting individuals with developmental disabilities. Applicants will also be responsible for the long-term management of the property. The successful applicant(s) for this award will acquire and renovate one (1) to three (3) single family home properties to be purchased and renovated to IRC specifications and will be owned and maintained by the NPO for restricted use as housing for individuals served by IRC. The successful bidder must be a Non-Profit Housing Organization and does not provide direct services to any individuals with developmental disabilities.

Deed restrictions must specify the properties will be held and available for services to persons referred by IRC into perpetuity. This is per the Fiscal Year 2016-2017 Housing Guidelines issued by the State of California, Department of Developmental Services (DDS). Non-Profit Organizations may hold the properties as a non-profit corporation, limited partnership, or a limited liability corporation. Renovation of the property must be supervised by, and is the responsibility of, the NPO. Renovation plans must be developed for the NPO by a licensed architect and implemented by a licensed, bonded contractor, and the plans approved by IRC prior to an application for construction permits. The property will be leased to a residential service provider who will provide care and supervision to the residents. The selected residential service provider as well as regional center staff will be available to the NPO/architect/building contractor for development team meetings and technical assistance regarding the needs of the individuals referred as well as the requirements of Community Care Licensing. Property must be convertible to meet the standards for licensing by the Department of Social Services of the State of California, Community Care Licensing Division. Property ownership and management will be separate and distinct from the provision of services and supports.

DEVELOPMENT 1 (Project #1): Adult Specialized Residential Facility

Geographic Location: Riverside or San Bernardino County

Acquisition: Up to \$150,000

Renovation: Up to \$250,000

This facility will be designed to support four difficult to serve consumers with severe behavioral challenges and possible forensic involvement.

Physical Plant for Development 1:

- Delayed egress system, in compliance with Health and Safety Code Section 1531.1
- Automatic fire sprinkler system required per FY2016-17 Housing Guidelines
- Maximum of four (4) bedrooms, 2 with ambulatory and 2 with non-ambulatory access
- ADA compliant exits and non-ambulatory clearance
- Ample parking (off-street, preferred) for staff and visitors

DEVELOPMENT 2 (Project #2): Children's Crisis Home (CSR)

Geographical Location: Riverside or San Bernardino County

Acquisition: Up to \$150,000

Renovation: Up to \$250,000

This facility will be designed to support up to four children considered to be difficult to serve who are in crisis and present with severe psychiatric, emotional, and behavioral challenges.

Physical Plant for Development 2:

- Automatic fire sprinkler system required per FY2016-17 Housing Guidelines
- Maximum of four (4) bedrooms, 2 with ambulatory and 2 with non-ambulatory access
- ADA compliant exits and non-ambulatory clearance
- Ample parking (off-street, preferred) for staff and visitors

DEVELOPMENT 3 (Project #3): Adult Specialized Residential Facility

Geographic Location: Riverside or San Bernardino County

Acquisition: Up to \$150,000

Renovation: Up to \$250,000

This facility will be designed to support four difficult to serve consumers with severe behavioral challenges and possible forensic involvement.

Physical Plant for Development 3:

- Delayed egress system, in compliance with Health and Safety Code Section 1531.1
- Automatic fire sprinkler system required per FY2016-17 Housing Guidelines
- Maximum of four (4) bedrooms, 2 with ambulatory and 2 with non-ambulatory access
- ADA compliant exits and non-ambulatory clearance
- Ample parking (off-street, preferred) for staff and visitors

APPLICANT ELIGIBILITY

The Non-Profit Organization's primary mission is to develop and manage accessible homes for the needs of individual with developmental disabilities. For the purposes of these projects, the applicant must be a registered NPO (or indicate intent to create an NPO registered as an IRS 501(c) (3) corporation), limited liability company, or limited partnership that will own the properties through the NPO as a managing general partner who receives and retains an Organizational Clearance Certificate for the project(s) from the California Board of Equalization in order to be exempt from property taxes. Only applicants who have acquired, constructed, or renovated property for the use of special needs populations for a minimum of two years, or have team members with at least 4 years of relevant experience, will be considered. Applicants must possess qualifications as specified in this RFP. Proposals will be considered from affordable housing providers who retain development team members with documented experience in real estate purchase, financing and renovation.

Non-Profit Organizations must submit the resumes of the development team, a summary of past projects, and a narrative of proposed property ownership including acquisition, renovation, and maintenance. Information on plans for acquiring permanent financing, NPO organization and financial documentation, an implementation and financing plan, and a sample reporting format must also be included.

The selected applicant will be required to provide a performance bond for all money advanced. The cost of the bond will be an acceptable start-up cost.

APPLICANT INELIGIBILITY

The following agencies or individuals are not eligible for this NPO development award:

1. The State of California, its officers or its employees;
2. A regional center, its employees, and their immediate family members;
3. Area Board members, their employees or their immediate family members;
4. Any NPO with a conflict of interest in either board members or employees

SUBMISSION INFORMATION

- Response to the Request for Proposals must be received by IRC, no later than 4pm, Friday, March 31, 2017. No exceptions.
- All interested Applicants must submit an original and six (6) copies of each proposal to:

Mail to: ATTN: Meredith Gage, CPP & Affordable Housing Specialist
Resource Development and Transportation Unit
P.O. Box 19037, San Bernardino, CA 92423-9037

Email: Mgage@inlandrc.org
Only one (1) copy of each proposal is required for email submissions

Deliver: Email Mgage@inlandrc.org to schedule an appointment to hand deliver proposals. Walk-ins will not be accepted.

RFP TIMELINE

Friday, March 3, 2017 - RFP Released

Thursday, March 31, 2017 - Proposals Due (no later than 4pm)

Tuesday, April 4, 2017 - Selection Committee Meeting #1- Orientation and RFP distribution

Tuesday, April 25, 2017 - Selection Committee Meeting #2- Applicant Scoring and Selection*

Thursday May 2, 2017 - Possible Applicant Interviews*

Thursday, May 4, 2017 - Award Letters mailed**

Friday, May 12, 2017 - Start-up contract signed**

*subject to applicant interviews if required

**subject to change due to scheduling

SELECTION PROCESS

All proposals received by the deadline will undergo a preliminary screening. Late or incomplete applications will not be accepted for review and rating. The Proposal Review Committee will be selected by IRC. Proposals will be reviewed for completeness, applicant experience and fiscal stability, resources of applicant, reasonableness of costs, and ability of applicant to identify and achieve outcomes of property acquisition and renovation. The final decision of the Proposal Review Committee shall be approved by the Executive Director, and is not subject to appeal. All applicants will receive notification of IRC's decision regarding their proposal.

This Committee will review, score, rank and prioritize the proposals. Applicant's proposals may be rejected for inconsistency with state and federal guidelines, failure to follow RFP instructions, incomplete documents, or failure to submit required documents. In addition to evaluation on the merit of the proposal, applicants will be evaluated and selected based on previous performance (including the timely completion of projects, a history of cooperative work with the regional center or other funders, and a track record consistent with established timelines for development).

Proposals will be reviewed and ranked based on the following areas:

A. NPO Organizational and Financial Development

1. The applicant/agency has prior experience purchasing property to be used as licensed home for clients who have moved from the state developmental centers.
- a. 1-2 years/ 2-4 homes
 - b. 3-5 years/ 5-10 homes
 - c. >than 6 years/ >10 homes

2. The applicant/agency has prior experience remodeling property to be used as licensed homes for clients moving from state developmental centers
- a. 1-2 years/ 2-4 homes
 - b. 3-5 years/ 5-10 homes
 - c. >than 6 years/ >10 homes

3. The applicant/agency's financial statement reflects sound fiscal practices. Assets are sufficient to undertake the proposed project.
- a. 1 Successful independent audit plus NPO ownership of 2-4 homes in good financial standing
 - b. 2 Successful independent audits plus NPO ownership of 5-8 homes in good financial standing
 - c. 3 Successful independent audits plus NPO ownership of 9-10 homes in good financial standing
 - d. >3 Successful independent audits by at least 2 different audit firms plus NPO ownership of 11 or more homes in good financial standing

B. Narrative Proposal

1. The overall proposal indicates an ability to follow directions and is an appropriate response to the RFP
- a. Proposal follows outline and is complete
 - b. Above, plus mission statement with person-centered values
 - c. Above, plus no negative financial histories
 - d. Above, plus complete financial documentation

C. Implementation Plan

1. The work plan indicates a thorough knowledge of the processes and procedures needed to complete the project
- a. Plan shows complete activities required to purchase and renovate properties
 - b. Above, plus plan shows good understanding of state and local building requirements
 - c. Above, plus realistic timeline for completion

D. Project Budget

1. The project budget demonstrates funding leverage and a reasonable budget
- a. Budget shows complete list of costs required to purchase and renovate properties
 - b. Above plus plan shows reasonable costs for above listed items
 - c. Above plus demonstration of viable relationships with well-established funding sources

RESERVATION OF RIGHTS

Inland Regional Center reserves the right to request or negotiate changes in a proposal, to accept all or part of a proposal, or to reject any or all proposals. IRC may, at its sole and absolute discretion, select no provider for these services if, in its determination, no applicant is sufficiently responsive to the need. Inland Regional Center reserves the right to withdraw this Request for Proposal (RFP) and/or any item within the RFP at any time without notice. Inland Regional Center reserves the right to disqualify any proposal which does not adhere to the RFP guidelines. This Request for Proposal is being offered at the discretion of IRC. It does not commit IRC to award any grant.

COSTS FOR PROPOSAL SUBMISSION

Applicants responding to the RFP shall bear all costs associated with the development and submission of a proposal.

CONTENT OF PROPOSAL

Please provide six (6) copies of the proposal, which must be typed on standard white paper using standard size font (12) and include a table of contents and page numbering. For items that request conditional information, provide a statement whether or not it applies to the applicant in order to verify that it has been addressed. Use the following outline:

- I. APPLICANT INFORMATION (NPO Organization, Development Team, Financial Documentation)
 - a. The contact information (name, address, e-mail address and telephone number) of the proposed NPO applicant and whether applying as a non-profit corporation, a limited partnership, or a limited liability corporation.
 - b. State the name of the author of the proposal. List any parties who participated in writing all or part of the proposal. Any proposal written for an applicant by a consultant or professional grant writer will demonstrate a commitment by the writer to provide ongoing technical assistance during the project implementation phase.
 - c. Describe or provide materials that clarify the NPO's mission and development and management experience of the NPO, any developer retained by the NPO and other development team members.
 - d. Development Success
 - i. State the background of either your organization or yourself in providing the type of projects/services outlined in the RFP
 - ii. Describe similar projects/services with which the organization has been successful
 - e. At minimum, the proposal should include names of partners, staff or consultants, if known, who will be involved in the implementation of the project if awarded; resumes; a summary of past projects; and a narrative of proposed property ownership from acquisition to conversion to permanent financing.
 - f. List of references and/or letters of reference relevant to experience and other qualifications required to complete this or similar projects. Applicants should be aware that IRC will contact references and other sources to corroborate any of the information provided in the proposal.
 - g. List of all projects with other regional centers and the current status of each project.
 - h. Specify any past history of activities which have had a serious negative impact upon development projects, tenants or residents including, but not limited to: financial losses (e.g., foreclosure), or serious investigation or citation under the California Administrative Code, the Penal Code or Regulations of the State of California, or the laws of other states, or the Federal

Government. Any information withheld or omitted may result in disqualification of the proposal or termination of the contract.

i. Organizational Documentation

i. For Non-Profit Corporations

1. IRS approval of 501(c) (3) status
2. Articles of Incorporation stating that, as part of its mission, the organization will develop and manage affordable homes for individuals with special needs, including those with developmental disabilities, and identifying the leadership and responsibilities of the NPO.
3. Corporation By laws that defines the purpose of the NPO to develop and manage affordable homes for individuals with special needs, including those with developmental disabilities and any tenant restrictions.
4. A list of current officers and Board Members.

ii. For Limited Partnerships

1. A certificate of Limited Partnership (LP-1)
2. Amendment to Certificate of Limited Partnership (LP-2), if any
3. Current Limited Partnership Agreement, as amended, which defines that the purpose is to develop and manage affordable homes for individuals with special needs, including those with developmental disabilities, and identifies the leadership and responsibilities of the LP

iii. For Limited Liability Companies (LLCs)

1. Limited Liability Company Articles of Incorporation (LLC-1)
2. Limited Liability Company Certificate of Amendment (LLC-2), if any
3. A fully executed operating agreement and all amendments which define that the purpose is to develop and manage affordable homes for individuals with special needs, including those with developmental disabilities, and identifies the corporate leadership and responsibilities of the LLC

j. Financial Standing – IRC will evaluate financial statements in order to determine the applicant's financial ability to cover start-up costs and stability to meet the long term commitment to hold and manage the properties.

- i. Provide three (3) years of audited financial statements with the most recent audit (FY 2012-2014) an unqualified audit opinion completed by a Certified Public Accountant using accepted accounting practices.
- ii. Provide current year-to-date financial statements of the NPO.
- iii. Briefly outline your organization's ability to fiscally start up this service.

II. Implementation Plan

- a. A narrative proposal of the project that includes the proposed properties ownership structure.
- b. The plan must specify a process that ensures compliance with all state and local building requirements, including without limitation the regional center's receipt of verification that each project has received all applicable, required permits prior to the start of any demolition, construction, or renovation/rehabilitation.
- c. Include a sequence of activities necessary to complete the project and specific to each property. This step-by-step action plan should include measurable, time limited activities toward the achievement of specific project tasks and achievement of the proposed outcome. The project objectives should be realistically achievable within the time frame. Timeline of project activities has to reflect a date for the properties to be acquired and leased to a service provider within 150 days of contract execution by all parties. The activities should cover each major step of the project and should include, but not be limited to:

- i. Provide a corporation resolution that authorizes the signatory to sign on behalf of, and obligate the NPO.
 - ii. Provision of funding commitment letters
 - iii. Provision of evidence of property site control
 - iv. Loan closing and Property Acquisition
 - v. Provision of evidence of property purchase, including an executed, recorded deed of trust and regulatory agreement
 - vi. Provision of evidence of application to the County Tax Assessor
 - vii. Provision of final sources and uses (budget)
 - viii. Certificate of Occupancy (Notice of completion, if renovation)
 - ix. Executed, long-term lease agreement between NPO and service provider
 - x. Executed, property management agreement
 - xi. Evidence of property insurance
 - d. Activities which may occur within 120-180 days of contract execution by all parties
 - i. Property tax exemption, if not provided sooner
 - ii. Reconciled sources and uses of funds (budget)
- III. Proposed Sources and Uses (Project Budget). Allowable costs include pre-development costs, (i.e., closing and escrow; due diligence costs; environmental impact report, if indicated; survey and soil analysis), acquisition costs (funds to option, purchase, or acquire properties); development costs (architectural and engineering; permits and fees; appraisal cost; construction, legal, accounting, consultant, and project management fees, if necessary).
- a. For all grants, specify the start-up budget amount you propose to be awarded for acquisition, and the start-up budget for renovation. Additionally, specify the acquisition total start-up budget amount required which must show a one to three (1:3) leveraging of awarded funds with hard (dollar) and/or soft (in-kind) commitments.
 - b. A budget narrative describing how each budget line item was calculated is required to sufficiently define all terms and areas of the budget except the item for property modification.
 - c. Include sources for leveraged funds, (e.g., private parties, bank loans, and foundations).
 - d. Evidence may include, but not be limited to, letters of commitment; memoranda of understanding that specify a financial commitment to the proposed project.
 - e. Demonstrate a leverage ratio of a minimum of three (3) dollars in leveraged funds to each one (1) dollar in CPP funds, (i.e., the CPP funds do not exceed 25 percent of the total cost of the project).
 - f. Identify the projected permanent debt service.
 - g. General Expenses or developer fee should address specific minor expenses that cannot be classified in any other line item.
- IV. Renovation and Maintenance
- a. Describe the process for securing bids from architects, property management (if outsourced) and construction services.
 - b. Note whether maintenance functions are performed by NPO in-house staff or whether secured from a property management agency.
 - c. Renovation reimbursement must be in accordance with the CPP Housing Guidelines and as identified in the RFP.
- V. Leasing Structure
- a. Describe how the lease to a service provider is structured by defining what items will be paid by the lessee, and what will be paid by the NPO. At a minimum address:
 - i. Property Taxes
 - ii. Insurance
 - iii. Building Maintenance

- iv. Landscaping Maintenance
 - b. Describe the leasing structure to address:
 - i. Typical length of lease agreement
 - ii. Whether the budget is structured such that no rent increases will be passed to the lessee, or an anticipated timeline with the amounts of rent increases.
- VI. Signed Request for Proposal Affirmation (Attachment B)

ATTACHMENTS

- A. FY2016-2017 Community Placement Plan HOUSING GUIDELINES FOR USE OF STARTUP FUNDING ***(For informational purposes only, please contact Meredith Gage at (909)890-3392 with any questions)***
- B. Request for Proposal Affirmation
- C. Conflict of Interest Statement
- D. Applicant/Vendor Disclosure Statement (DS 1891 form)