



State of California

Request for Qualifications

Mixed Use Development including
Affordable Housing

For Excess Sites

Under Executive Order N-06-19

Location:

San Joaquin County Fairgrounds
Stockton, CA

Released: July 19, 2021

Due: 5:00 pm PT on September 17, 2021

EO N-06-19 RFQ No. 3-21



OPPORTUNITY

For the design, entitlement, development, and operation of a mixed-use project area that supports the Principles and Objectives listed below under agreement and long-term ground-lease with the State of California and under the auspices of Executive Order N-06-19 (the “EO”). The project area is to be located upon a portion of the San Joaquin County Fairgrounds in Stockton, California (the “Project Area,” “Site,” or “SJCF”).

STATE CONTACT

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PROJECT AREA WEBSITE

Page: [Executive Order N-06-19 Affordable Housing](#)

URL: <https://www.dgs.ca.gov/RES/Projects/Page-Content/Projects-List-Folder/Executive-Order-N-06-19-Affordable-Housing-Development>

RFQ SCHEDULE AND SUBMISSION INSTRUCTIONS

The following Request for Qualifications (RFQ) timeline is provided for scheduling information but is subject to change at the discretion of the State of California Departments of General Services and Housing and Community Development (individually or collectively, the “State”).

| Activity | Date |
|---|---|
| Request for Qualifications Released | July 19, 2021 |
| Site Tour | August 3, 2021 10:00 am Pacific Time |
| Pre-Submittal Meeting | August 11, 2021 11:00 am Pacific Time |
| RFQ Questions and Requests for Clarifications Due | August 31, 2021 5:00PM Pacific Time |
| State Response to RFQ Questions/Clarifications | September 7, 2021 |
| RFQ Submittal Deadline | September 17, 2021 5:00PM Pacific Time |
| Respondent Interviews | Week of October 4, 2021 |



| | |
|------------|--------------------------|
| Award Site | Week of October 18, 2021 |
|------------|--------------------------|

Site Tour

An optional site tour will be held at the date and time listed above. Parties interested in attending the site tour must RSVP to the email address above with the subject line “SJCF Site Tour” no later than 48 hours prior to the start of the tour. The tour meeting place and other logistics will be communicated in the reply to the RSVP.

Pre-Submittal Meeting

A pre-submittal meeting will happen at the date and time listed above via Zoom or similar. To join the meeting, interested parties must send an email to the email address above with the subject line “SJCF Pre-Submittal Meeting” no later than 48 hours prior to the start of the meeting and a meeting link will be sent in reply. The meeting will be **mandatory** and recorded. The State will deliver a brief presentation regarding the SJCF and then questions will be answered via the chat function of the meeting. Questions and answers delivered during the meeting will be included in the Q&A Document, which is further described below.

RFQ Questions and Requests for Clarifications

All questions and/or requests for clarification should be sent to the State contact’s email address above. The State will respond to questions and/or requests for clarification by emailing one attachment containing all questions and requests for clarification received by the deadline along with an answer for each (the “Q&A Document”) via bcc to a) the email address(es) which submitted the questions and/or requests for clarification to the State by the applicable deadline, and b) the addresses to whom the State emailed the RFQ. The State will also post the Q&A Document to the website listed above.

RFQ Submittal Deadline

Parties responding to this RFQ (“Respondent(s)” or “Respondent Team(s)”) must submit their response via email to the email address above. The State must receive responses to this RFQ through a Statement of Qualifications (“SOQ”) no later than the deadline listed above.

It is the Respondent's sole responsibility to ensure that the SOQ is received by the State before the deadline listed above. All emails sent by a Respondent will be time-stamped based on the time of receipt of such email.

Respondent Interviews

The State reserves the option of interviewing zero, one or all Respondents prior to selecting a Respondent to enter into negotiations regarding the Site. The State will notify Respondents to request an interview, if applicable, subsequent to receiving and reviewing the SOQs.

DISCLAIMER

The State obtained the information contained in this RFQ from sources deemed reliable;



however, the State makes no guarantees, warranties, or representations, nor expresses or implies any opinion concerning the accuracy or completeness of the information provided. It is furnished solely as an aid to interested parties. Interested parties are responsible for undertaking all necessary investigation on and off the State property to determine the suitability of the State property for interested party's intended use.

Note: The California Public Records Act (California Government Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless the information is exempt from disclosure by law, the material submitted may be made available to the public.

INTRODUCTION

The EO was signed by Governor Gavin Newsom on January 15, 2019 to address the housing affordability crisis that is facing the State of California (see Exhibit 1). Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to identify and prioritize excess state-owned property, enter into low-cost long-term ground lease agreements with housing developers and accelerate affordable housing development on State-owned land for public benefit.

The State is pleased to issue this RFQ for Respondents capable of developing the excess state-owned property listed in this RFQ that will be consistent with and help fulfill state, regional, and local goals, including, but not limited to, housing affordability, community development, sustainability, equity, innovation, and feasibility.

This RFQ is a multi-agency effort to address housing affordability in the region. The State is coordinating with applicable localities and agencies as it deems needed in its selection of a development team and creation of a development program.

The State expects to evaluate the responding SOQs and then, provided that a) one or more SOQs are sufficient, and b) the State wishes to move forward with the Site, the State intends to enter into negotiations for a Lease Option Agreement with the Respondent whose qualifications and development proposal the State deems best suited to achieve the Principles and Objectives described in this RFQ. The State will not make a separate Request for Proposals. Successful completion of negotiations will lead to the execution of a low-cost, long-term ground lease and regulatory agreement with a maximum term of 99 years (the "Lease").

SITE HISTORY AND RELEVANT LEGISLATION

The annual fair at the Fairgrounds started in 1860. Today, the Fairgrounds is home to numerous recurring events, several agricultural-use buildings, and various racetracks and betting facilities (See Exhibit 3). A portion of the Fairgrounds has been declared excess and suitable for housing development.



As noted above, with the EO Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to identify and prioritize excess state-owned property and aggressively pursue sustainable, innovative, cost-effective housing projects. SJCF qualifies as one such property. A copy of the Executive Order is included in Exhibit 1.

Section 14671.2

DGS' leasing authority for affordable housing developments can be found in Section 14671.2 of California Government Code (the "Code"). Absent alternative leasing authority, any lease for housing development under the EO must confirm to the parameters found within this section of statute.

At the time of publication of this RFQ, modifications to the Code have been implemented. AB 140, which is a Trailer Bill (hereafter "Trailer Bill Language" or "TBL") to the California State Budget Act (the "Act") includes the changes. The text of AB 140 can be found by looking up Assembly Bill number 140 at the following website: <https://leginfo.legislature.ca.gov/faces/billSearchClient.xhtml> (see also Exhibit 2).

All projects must conform with Section 14671.2 as written at the time of the lease.

SURROUNDING AREA CONTEXT

The Site is located at the corner of Doctor Martin Luther King Junior Boulevard (a.k.a. East Charter Way and State Route 4) and Airport Way (see Exhibit 3) and falls within the South Stockton neighborhood of the City of Stockton. Compared with other parts of the City, South Stockton has less tree canopy, a higher rate of exposed asphalt, and locations closer to sources of industrial pollution. These environmental challenges, combined with a high concentration of poverty, have led to higher ambient temperatures; noise, air, and water pollution; increased negative health impacts; a lack of access to healthy and affordable food; and a lack of affordable housing.

Stockton is one of the Central Valley's largest cities and is the seat of San Joaquin County. Located near the San Joaquin River's terminus in the Sacramento San Joaquin Delta, Stockton is the largest city in the Northern San Joaquin Valley. According to the US Census, Stockton has a population of 312,697 people as of 2019, with a population growth of 6% since 2010.

Stockton's top employers include local government agencies, educational institutions, health care providers, and Amazon.

CITY PLANNING FRAMEWORK

The following city planning and related documents (the "City Planning Framework") have been provided by the City as a helpful framework to understand the site's context and the larger community development principles espoused by the City of Stockton.



Of note is that following the 2007 approval of the 2035 Stockton General Plan and its Environmental Impact Report (EIR), the City of Stockton was brought into litigation with the Sierra Club and the State Attorney General regarding concerns about greenhouse gas (GHG) emissions. As a result, the City entered into a settlement agreement that requires the City to address GHG reductions in a variety of ways including the preparation of a [Climate Action Plan](#) (completed in 2014), and through specific requirements for the [Envision Stockton 2040 General Plan](#) and associated Housing Element, which includes policies to support the development of new housing units within the City limits.

The City has also prepared and adopted its [2020-2025 Consolidated Plan](#) which is designed to help the jurisdiction assess its affordable housing and community development needs. The Federally mandated consolidated planning process serves as the framework for the communitywide dialogue necessary to identify housing and community development priorities that can then be used to align Housing and Urban Development (HUD) funding and prioritize programs with other local efforts.

The City has put great effort into planning for development to meet the needs of the community and the State would like to ensure that these efforts are considered by the selected Respondent.

PROGRAM PRINCIPLES AND OBJECTIVES

The lack of affordable housing across California is a matter of vital statewide importance and the State is working to expand housing opportunities through a new level of innovation and cooperation between the public and private sectors. While housing affordability is paramount, the State recognizes that this program presents an opportunity to leverage development for multi-benefit outcomes.

To help solve the affordable housing crisis in alignment with other priorities, the State is seeking SOQs from Respondents who can demonstrate the capacity, creativity and commitment needed to support the Principles and Objectives listed below.

1) *Housing Mix and Affordability:* Provide housing at a range of income levels that is consistent with the EO and the TBL, maximizes the depth and breadth of affordability and maintains financial feasibility. Include for-sale (provided that such use is allowed under the TBL) and for-rent housing. Consider the City Planning Framework as described above.

2) *Financing Innovation:* The objective is twofold:

- a. Implement innovative financing models which reduce the necessity of scarce public resources. Leverage the income from commercial/retail and market-rate housing components of the development to subsidize on-site low-income housing, thereby advancing the objectives of the EO and limiting the need for scarce public resources. Examples of

scarce public resources include Low Income Housing Tax Credits, tax-exempt bonds, and state/local housing loan or grant programs.

- b. The San Joaquin County Fairgrounds are expected to remain operational, albeit with a smaller footprint. It is critical that any development of this excess site not only be respectful to the ongoing operation, but supportive as well. The ideal development, as well as meeting the other planning objectives, will be able to provide tangible (financial) and non-tangible support to the fair.
- 3) **Timing Efficiency and Financial Feasibility:** Strategically deliver on the timing goals of the EO by maximizing financial feasibility and accelerating delivery.
- 4) **Accessibility:** Provide accessible housing for all Californians exceeding the requirements of the California Building Code and local requirements by maximizing universal design principles.
- 5) **Sustainability and Resiliency:** Incorporate the principles of the Rise Stockton Sustainable Neighborhood Plan and City of Stockton Climate Action Plan into Project Area design and planning. Also consider coordinated actions with the San Joaquin Council of Governments (SJCOG) Sustainable Communities Strategy Implementation Plan and Regional Transportation Plan, and ongoing SJCOG Envision 2050 planning work (See Exhibit 6).
- 6) **Construction Innovation and Cost Efficiency:** Explore the extent to which innovative construction technology and/or other cost-saving measures can be incorporated at this location resulting in reduced total project costs, reduced construction duration, and/or improved building performance while maintaining quality of construction.
- 7) **Community Outreach, Partnership, and Collaboration:** Integrate local stakeholder, government and community input through a meaningful public participation process and conversation by designing targeted and culturally responsive outreach so that the proposed development addresses local housing and community needs. It is critical to the success of the Project Area that the Stockton community and specifically the South Stockton community are kept at the forefront of Project Area vision-setting and implementation.
- 8) **Utilize framework of State Sovereignty to achieve better outcomes:** Leverage the framework of State Sovereignty as further described in Exhibit 4 to maximize both the Principles and Objectives of this RFQ as well as state



planning priorities regarding land use and density.

9) **Equity:** The objective is two-fold:

- a. Incorporate meaningful measures into planning, design, and development of the Project Area that will combat housing discrimination, eliminate racial bias, undo historic patterns of segregation and displacement, and lift barriers that restrict access. Utilize an environmental justice lens to foster inclusive communities and achieve racial equity, fair housing choice, and transform racially and ethnically concentrated areas of poverty into areas of opportunity, and adopt place-based strategies that facilitate housing mobility. Near-term examples include but are not limited to construction-related programs, Project Labor Agreements, Local Hiring Preference, diversity and inclusion procurement programs, social services, workforce development programs, homeownership programs, commercial tenant programming, and/or ownership partners.
- b. In the long-term, provide equitable access to high-quality housing at low- and middle-income levels including opportunities for first-time home buyers. Provide retail, open space and recreational facilities that are responsive to the needs of the immediate community.

10) **Respondent Capacity:** Demonstrate the Respondent's financial capacity and experience necessary to successfully implement the envisioned Project Area, and to overcome possible setbacks in the development process.

11) **Quality Architecture and Contextual Design:** Deliver a Project Area that meets generally accepted principles of quality architectural and urban design, and that takes nearby *external* services, transportation, amenities, and planned improvements into consideration. In addition, provide uses *internal* to the Project Area which enhance community and connectedness; examples include but are not limited to recreation centers and/or fields, social services center, schools and/or day care, public transportation, community and/or event centers, dog parks, community pools, walking/biking trails, and the continuation of active transportation, public transportation, and streetscape improvements into the existing community. These internal uses should also benefit and support the ongoing use of the SJCF by the 2nd District Agricultural Association (2nd DAA).

THE IDEAL RESPONSE TO THIS RFQ

The State seeks responses that:

- Are clear, concise, and to-the-point. Respondents are requested to avoid inclusion of extraneous marketing materials, overly detailed specifications, and other materials that increase the size of the submittal without providing meaningful additional information about Respondent's vision and implementation of the principles and objectives.
- Articulate a clear understanding of the State's Principles and Objectives as listed above and demonstrate capacity for achieving them.
- Demonstrate the Respondent's capabilities and prior experience in analyzing and balancing competing objectives.
- Include all the elements listed below.
- Stay within the page limit without exhibits of 20 pages; there is no page limit for exhibits.

EVALUATION CRITERIA AND SUBMISSION REQUIREMENTS

An evaluation panel will identify the most qualified responses to this RFQ.

The scoring criteria which will be applied to the submissions is located in Exhibit 7.

The State welcomes responses from one entity responding as "master developer" or a partnership among multiple entities each with a specialization in a different real estate asset class.

- 1) Respondent Team Introduction
 - a) Evaluation Criteria: NA
 - b) Submission Requirements:
 - i) Provide an introduction to the Respondent Team that clearly identifies: the Team's form of organization (LLC, partnership, etc.) and business headquarters, all equity partners or participants, and any involvement in the control over the Developer entity by such parties and any non-equity members. The complete Respondent team should be established as an integrated group prior to submitting the SOQ.
 - ii) Include an organizational chart displaying reporting relationships and lines of accountability. The State reserves the right to request further documentation.
 - iii) If there is more than one proposed developer entity/sponsor, identify the nature of the affiliation between the proposed developer entities. Provide clarity on the roles and responsibilities between the sponsors and

- summary points on any agreements between the parties in pursuing the Project Area.
- iv) Identify the Respondent team principals and those authorized to execute and bind the team to an agreement. Include the name and/or title of the person who will be authorized to execute the LOA, ground lease, and/or regulatory agreement between the Respondent and the State. Include a brief biography for each principal member of the Respondent Team.
 - v) Identify the contractors, consultants and development partners who are a member of the Respondent Team, e.g.: general contractors, architects, transportation and land use planners, civil engineers, environmental consultants, landscape architect(s) and/or urban designer(s).

2) Demonstration of Experience

- a) Evaluation Criteria: The overall track record of the Respondent Team (including the development company(ies), its proposed project lead and any proposed contractors, consultants, and development partners) in planning, financing, developing, managing, and maintaining applicable development projects, including experience developing affordable and/or market-rate housing in California as applicable to the proposed development program.
- b) Submission Requirements:
 - i) Describe the four most recent relevant development projects **which are similar to the project being proposed** and have been completed by the Respondent Team to date, with information that includes the project name, project location, year completed, project value at completion, development program, and other relevant information such as whether any project was developed pursuant to a ground lease. If Respondent is a group of developers, the history and qualifications of each should be provided. Highlight developer qualifications that are adherent to the types of uses proposed, state or federal funding programs, and experience in the locality or region in which the Site is located.
 - ii) Include information demonstrating the experience of the contractors, consultants and development partners your SOQ identifies in response to item (1)(b)(v), above.
 - iii) Provide at least four project references that the State can contact. The project references should be for projects that are similar to the project envisioned in the SOQ. Project references should be able to confirm the Respondent's claims of past success in the entitlement and discretionary approval process, participation in public-private joint development partnerships, financing of affordable housing projects, community engagement, use of innovative design or modular construction, master

planning, urban design, mobility, sustainability and/or continued management of developments. At least one reference should be to a community leader who is not employed in the public sector. At least one reference should be to a City Manager, County Administrator or similar whose jurisdiction covered a referenced project.

- iv) Provide a portfolio of similar projects that are now complete and stabilized, including projects with similar financing requirements that were completed within the past four years, to illustrate Respondent's ability to obtain equity and debt financing (including "soft debt") for the Project.

3) Capacity for achieving Program Principles and Objectives

- a) Evaluation Criteria: Respondent Team's ability to demonstrate past success in specifically implementing one or more of the Program Principles and Objectives.
- b) Submission Requirements:
 - i) Provide examples of past success in implementing one or more of the Program Principles and Objectives. It is acceptable to cite the same example(s) for parts 2 and 3 of this section.

4) Equity and Community Outreach

- a) Evaluation Criteria: Respondent Team's detailed approach to achieve the Principles and Objectives listed below, given their criticality to the overall success of the Project Area.
- b) Submission Requirements:
 - i) Provide a plan to achieve the Principle and Objective of Community Outreach, Partnership and Collaboration. This should include a detailed approach to community engagement that will serve as a foundation for developing an inclusive set of strategies in concert with community members and stakeholders. Detail the timeline, engagement strategy, potential partners including discussions had with potential partners as part of responding to this RFQ. Address the means and methods by which the public will participate in the development process and the process by which you will incorporate that feedback into the design and execution of the project. Describe the sequence of community feedback with other components of the predevelopment process. Explain how the proposed approach will address the needs and concerns of the South Stockton community and stakeholders (including the 2nd DAA). Describe how the general public will be informed of development progress and how public comments will be collected and addressed during all phases of development.

- ii) Provide a detailed plan to achieve the Principle and Objective of Equity. Detail the near- and long-term strategies you will implement to achieve measurable outcomes fostering inclusive communities and achieving racial equity, providing fair housing choice, and creating opportunities for all Californians.
- 5) Demonstration of Financial Capacity
- a) Evaluation Criteria: The financial capacity of Respondent Team to complete and manage the Project Area, including demonstrated abilities in financial innovation, adaptability, and command of emerging opportunities.
 - b) Submission Requirements:
 - i) Provide a statement describing the Respondent's experience and track record in securing funding for affordable projects.
 - ii) Include most recent audited financial statements in an exhibit to SOQ (one year).
 - iii) Describe the proposed approach to obtaining financing for the Project Area.
- 6) Development Concept
- a) Evaluation Criteria: The development program and the ability of that program to meet the applicable Principles and Objectives as described in this RFQ.
 - b) Submission Requirements:
 - i) Describe the development program the detailing uses you envision for the Project Area. Provide information, preferably in table format, which clearly quantifies the size of each use and relevant metric (i.e., number of lower-income, moderate-income, and market rate housing units, square feet of commercial space, square feet of open space, etc.). Note: in deference to the importance of the community input process (see Principle and Objective #7), a site plan or similar architectural work is not requested as part of this RFQ.
 - ii) Provide a narrative description of the approach to the architectural, urban and landscape design in the Project Area, including architectural character, building densities, massing, relationship to the region's agricultural heritage including the 2nd DAA, character of parks and other public spaces, climate adaptation and resiliency, concepts for street design and the mobility network (including bicycle and pedestrian circulation, transit integration and vehicular access), and other design elements. Describe how the envisioned improvements and amenities relate to and support adjacent or nearby uses and/or neighborhoods.

- iii) Address how and the extent to which the Project Area will support the Principle and Objective of Accessibility.
- iv) Address how and the extent to which the Project Area will support the Principle and Objective of Construction Innovation and Cost Efficiency.
- v) Address how and the extent to which the Project Area will support the Principle and Objective of Sustainability.
- vi) A Transportation Demand Management Plan is not currently required. However, please describe your approach to sustainable and resilient land use and transportation planning, including active transportation modes, transit and limiting vehicle miles travelled to, from and within the Project Area and how this relates to climate change, heat vulnerability, air quality, health equity and access to opportunity.
- vii) Describe your approach to the Project Area, including leveraging State Sovereignty and the opportunities and challenges it may provide. See Exhibit 4.

7) Financial Feasibility

- a) Evaluation Criteria: the financial underwriting of the component parts of the development plan, the coordination of those components, and the extent to which the underwriting achieves the applicable Principles and Objectives.
- b) Submission Requirements:
 - i) Summarize your financing plan with the SOQ.
 - ii) In an exhibit(s) to the SOQ, submit high-level financial models for the development program. Each model should be mutually exclusive, aggregating components by type of real estate (for example, one model for all market-rate housing, one model for all retail uses, etc.). Each model should include a *simple* sources & uses table and 20-year pro forma.
 - iii) Submit a separate model which summarizes the development program. The purpose of this model is to quantify and clearly display the one-time and/or on-going subsidization of affordable housing and/or fair operations, the budgeting of open space maintenance and other support for community-serving uses on site.

8) Additional Requirements and Representations

- a) Evaluation Criteria: NA
- b) Submission Requirements:
 - i) In their SOQs, Respondents must include an exhibit which identifies all of the following, as applicable, if any of them occurred within five years of the submission of the SOQ: defaults, any judgments, court orders,

- pending litigation, contractual disputes, violation notices, or other matters reflecting a violation of applicable regulations related to the operations or projects undertaken by the Developer entity or any of its individual members or affiliates exercising direct or indirect control over the development entity, including all key persons on the Respondent team.
- ii) Respondents must certify that none of the items listed in the exhibit described above will in any way impede their ability to execute upon the business plan inherent with the SOQ.
 - iii) Respondents must certify the completeness of the information provided in their SOQ. The omission of information that the State deems material (determined in its sole discretion) will result in the SOQ being deemed non-responsive. The State will determine, in the State's sole discretion, whether to further review or evaluate SOQs that it deems non-responsive.
 - iv) Provide detail for any assessed and/or outstanding CDLAC and/or CTCAC Negative Points and/or outstanding HCD compliance issues.



EXHIBIT LIST

- EXHIBIT 1. EO N-06-19
- EXHIBIT 2. Government Code Section 14671.2 and Trailer Bill Language
- EXHIBIT 3. Site Information and Maps
- EXHIBIT 4. State Sovereignty and Entitlements Under EO N-06-19
- EXHIBIT 5. Frequently Asked Questions
- EXHIBIT 6. Additional Relevant Documents and Resources
- EXHIBIT 7. Scoring Criteria



EXHIBIT 1 - EO N-06-19

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EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

EXECUTIVE ORDER N-06-19

WHEREAS California is experiencing an acute affordable housing crisis that stifles economic growth, contributes to the homelessness epidemic, consumes an ever-growing share of the paychecks of working families, and holds millions of households back from realizing the California Dream; and

WHEREAS nearly 50 percent of California's households cannot afford the cost of housing in their local market; and

WHEREAS for decades, California has failed to build enough homes for its growing population at all income levels, ranking 49th in the country in housing production per capita in 2016; and

WHEREAS restrictive zoning and land-use policies at the local level are a major cause of the shortfall between California's housing needs and the available supply of housing; and

WHEREAS when communities do not build their fair share of housing, the surrounding region must absorb new residents who, as a consequence of a lack of access to affordable housing, suffer from higher rents and longer commutes; and

WHEREAS the high cost of land also significantly limits the development of affordable housing in areas with the greatest demand for new housing; and

WHEREAS state agencies own thousands of parcels of land throughout the state, some of which exceed those agencies' foreseeable needs; and

WHEREAS excess state land is often located in or near urban areas where the need for new housing is acute; and

WHEREAS the lack of affordable housing across California is a matter of vital statewide importance; and

WHEREAS expanding housing opportunities and solving the affordable housing crisis will require a new level of innovation and cooperation between the public and private sectors; and

WHEREAS fostering housing innovation will catalyze new construction industries and spur job growth in the state; and

WHEREAS local zoning ordinances do not govern the use of state property, and the State possesses legal authority to enter into low-cost, long-term leasing agreements with housing developers and accelerate housing development on state-owned land as a public use.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The Department of General Services shall create a digitized inventory of all state-owned parcels that are in excess of state agencies' foreseeable needs by, among other things, conducting a comprehensive survey of all state-owned land. This inventory shall be completed by no later than April 30, 2019. To meet this deadline, all agencies under my direct executive authority shall support this effort by responding to all inquiries made by the Department of General Services.
2. The Department of General Services, the Department of Housing and Community Development, and the Housing Finance Agency shall collaborate to develop two new screening tools for prioritizing affordable housing development on excess state land. The tools shall be designed to identify and evaluate parcels of excess state land:
 - a. Where housing development is most likely to be economically feasible, accounting for, among other factors, a parcel's size, shape, grading, adjacencies, potential for consolidation, lack of site constraints, and proximity to job centers, education, high-frequency public transportation networks, utilities, and other services and amenities; and
 - b. Where underproduction is impacting housing affordability, accounting for, among other factors, availability of affordable housing in the job and commute sheds, the gap between supply and demand, and the rate of increase in rent.

Both tools shall be developed by no later than March 29, 2019.

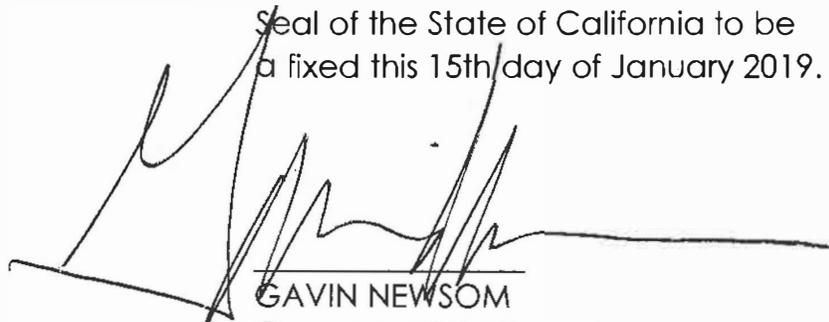
3. The Department of General Services, in consultation with the Department of Housing and Community Development, shall apply the new screening tools to the State's inventory of excess state real property. The Department of General Services shall generate a comprehensive map of excess state real estate parcels where development of affordable housing (a) is feasible and (b) will help address regional underproduction. The map shall overlay a graphical representation (*i.e.*, a heat map) of where affordable housing development is most feasible and impactful. By April 30, 2019, the Department shall provide an interim progress report.
4. Where appropriate, state agencies shall consider exchanging excess state land with local governments for other parcels for purposes of affordable housing development and preservation. Parcels shall be exchanged with the goal of maximizing regional capacity to build and preserve affordable housing units.
5. The Department of General Services, in consultation with the Department of Housing and Community Development, shall issue Requests for Proposals on individual parcels and accept proposals from developers of affordable housing interested in entering into low-cost, long-term ground leases of parcels on the priority map.

- a. Requests for Proposals shall address, among other considerations: the number of housing units to be built and preserved; maximization of land resources and level of affordability; feasibility of breaking ground within two years of entering the lease and completing units within three years; the individual cost per unit of construction; the use of renewable construction materials, such as cross-laminated timber; and the developer's demonstrated capacity to complete affordable housing projects.
 - b. Selection of projects shall catalyze and incubate innovative models for construction (such as modular or prefabrication), financing, and workforce development.
 - c. Bidding requirements shall include commitments to pay prevailing wages as required under the law.
6. The Department of General Services, in consultation with the Department of Housing and Community Development, shall begin to implement the above selection process no later than September 30, 2019.
 7. The Department of General Services, the Department of Housing and Community Development, and other state agencies and departments shall use all existing legal and financial authority to expedite and prioritize these developments, including by giving them preference in the award of state funding, pursuant to my further direction. Agencies not under my direct executive authority are requested to do the same.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 15th day of January 2019.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



EXHIBIT 2 –

GOVERNMENT CODE SECTION 14671.2 (PRE-AB 140)

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14671.2.&lawCode=GOV

ASSEMBLY BILL 140 (CURRENT AUTHORITY)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB140

EXHIBIT 3 – SITE INFORMATION AND MAPS

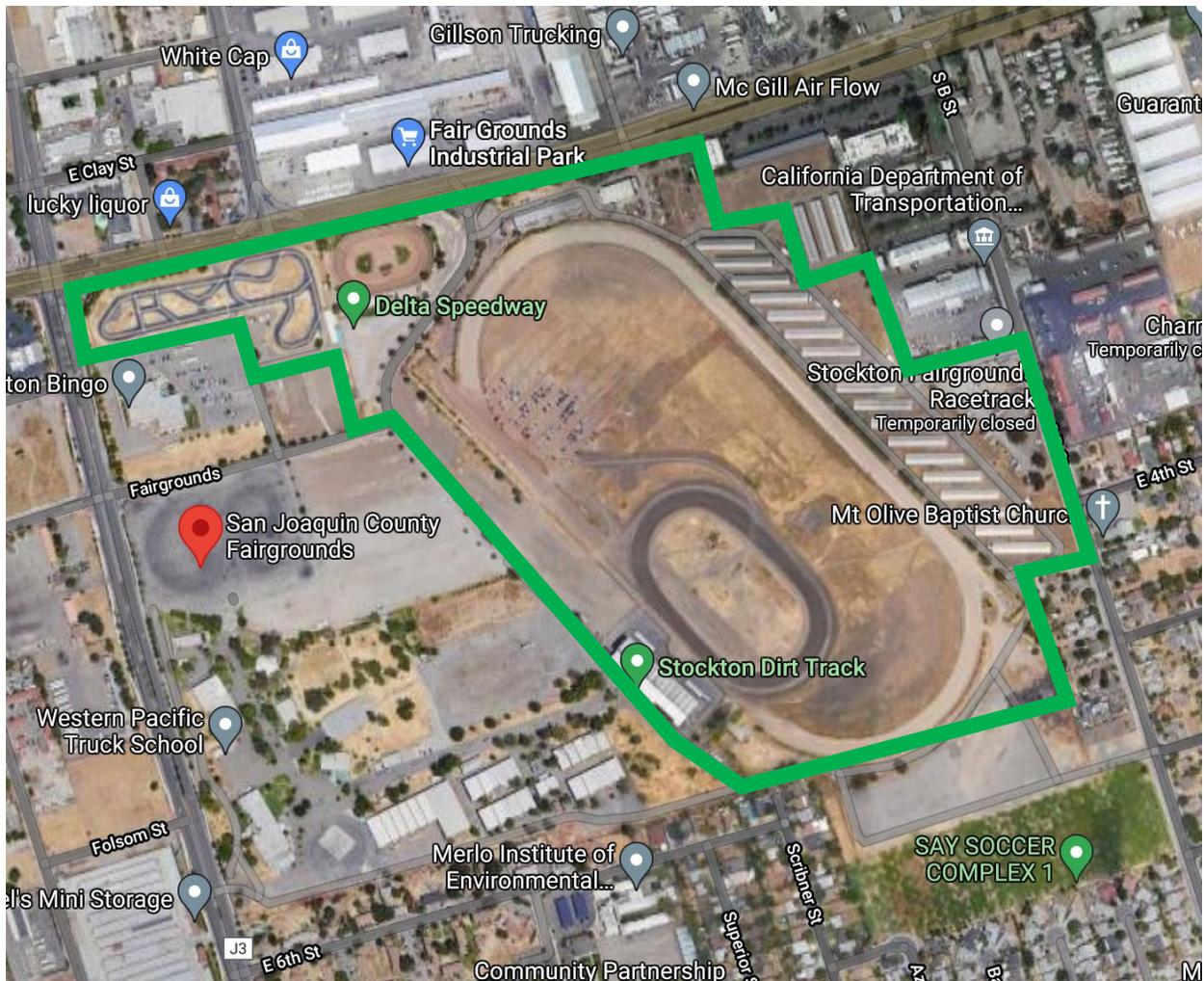
LOCATION

The San Joaquin County Fairgrounds are located at the southeast corner of Airport Way and Doctor Martin Luther King Junior Boulevard (a.k.a. East Charter Way and State Route 4).

PROJECT AREA DIMENSIONS

The green outline of this diagram shows the portion of the SJCF which is the subject of this RFQ.

Note: the boundaries of the Project Area are conceptual at this stage and are subject to change. As such, easements, current leases/uses, current total approximate size and other rights of way remain to be resolved. The current total approximate size of the area in green below is 110 acres.





ENVIRONMENTAL CONDITIONS

The State procured a Phase I Environmental Site Assessment (the “ESA”). A link to the ESA is located in Exhibit 6. The Phase II ESA will be completed on August 6, 2021.

EXHIBIT 4 – STATE SOVEREIGNTY AND ENTITLEMENTS UNDER E.O. N-06-19

Introduction of Exhibit Topics

- State Sovereignty
- Comparison Table
- Additional Information

State Sovereignty

This discussion is offered as a practitioner’s understating of preemption of local land use authority under State Sovereignty and how exercising State Sovereignty can be beneficial for delivering affordable housing and other uses by developers on land provided by the State subject to a long-term ground lease.

The intention of this guidance is to give potential Respondents an initial understanding of this framework; however, the precise roles and responsibilities among the State and the local jurisdiction for this project will be arrived at via an iterative process and tri-party conversations with the selected Respondent.

The concept of sovereignty suggests a hierarchy of governmental authority that has the federal government at its apex, then moves downward to State government, and follows to local governments, such as cities and counties. While land use regulation in California historically has been a function of local government under the grant of police power contained in Article XI, Section 7 of the California Constitution, a State agency is immune from local regulation unless the Legislature expressly waives immunity in a statute or the California Constitution.

Identifying and adapting a State Sovereignty framework early in the project delivery process under the authority of E.O. N-06-19 is helpful to the overall success of the project because it affects many aspects of entitlement. As an overview:

- Land Use: For purposes under E.O. N-06-19, the project is not subject to local zoning or the Subdivision Map Act when developing a property for State use. Under the auspices of HCD, which has control and possession of the land that will be subject to the long-term ground lease, the development of improvements on this land does not have to conform to existing local zoning.
- Per Executive Order N-06-19: “local zoning ordinances do not govern the use of State property, and the State possesses legal authority to enter into low-cost, long-term leasing agreements with housing developers and accelerate housing development on state-owned land as a public use.” Furthermore, the State has statutory authority to enter into leasing agreements per Government Code Section 14671.2.
- Project design: use of State Sovereignty can facilitate greater density.
- Streamline Processing: SB35 is not currently available for State use; DGS is typically lead CEQA agency.



- Construction: The State itself provides certain approvals (see Permitting under Comparison Table below) yet leverages local resources.

Respondents are encouraged to:

- Think creatively regarding how the framework of State Sovereignty can be adapted to further the Program Principles and Objectives.
- Be mindful that:
 - Local jurisdiction cooperation will be needed for utility access, site ingress/egress, and other matters.
 - Integrating local input remains a priority as noted in the Program Principles & Objectives.

Comparison Table

Land-Use

| Item | No State Sovereignty (typical path) | Use of State Sovereignty |
|-------------------------------------|---|--|
| Zoning | City/County determines | State determines |
| City/County Planning Dept Approvals | Required in most cases | State's discretion |
| SB35 | Can be used in some cases | Not currently available or applicable |
| Project-level CEQA Approval | Local jurisdiction is lead agency | DGS is lead agency; see below |
| Regional Housing Needs Assessment | Units produced apply to local jurisdiction RHNA goals | Units produced apply to local jurisdiction RHNA goals; see below |

Permitting

| Item | No State Sovereignty (typical path) | Use of State Sovereignty |
|--------------------------|-------------------------------------|--------------------------|
| Plan Review | Local jurisdiction | Hybrid model; see below |
| Building Permit | Local jurisdiction | DGS |
| Temp. Cert. of Occupancy | Local jurisdiction | DGS |
| Certificate of Occupancy | Local jurisdiction | DGS |

Plan Review, Inspections and Approvals

| Item | No State Sovereignty (typical path) | Use of State Sovereignty |
|----------------------|-------------------------------------|---|
| Fire and Life Safety | Local Authority | DGS primary, unless delegated. Local Authority for emergency response and access regardless of delegation |
| Structural | Local Authority | DGS primary, unless delegated. |
| Accessibility | Local Authority | DGS primary, unless delegated |



Inspection Fees

| Item | No State Sovereignty (typical path) | Use of State Sovereignty |
|------|-------------------------------------|---|
| | Determined by local jurisdiction. | For pro forma purposes, assume the same cost as local jurisdiction. DGS fees are dependent upon project duration, staffing requirements and special conditions. |

Utility Connections

| Item | No State Sovereignty (typical path) | Use of State Sovereignty |
|------------------|-------------------------------------|--------------------------|
| Water | Coordinate with local agencies | Same |
| Sewer/Stormwater | Coordinate with local agencies | Same |
| Electric | Coordinate with local agencies | Same |

Environmental Approvals

| Item | No State Sovereignty (typical path) | Use of State Sovereignty |
|-------------|---------------------------------------|--------------------------|
| Air Quality | Local Air Quality Management District | Same |

Emergency Services

| Item | No State Sovereignty (typical path) | Use of State Sovereignty |
|------|-------------------------------------|--|
| Fire | Coordinate with local agencies. | Local Agencies to approve Emergency Services access and site requirements. |

Real Estate Tax

| Item | No State Sovereignty (typical path) | Use of State Sovereignty |
|------|--|--------------------------|
| | Welfare exemption often sought and obtained for affordable housing, which eliminates or reduces property taxes. All other commercial and residential uses are taxable. | To be determined. |

Additional Information

CEQA and Planning

- The Initial Study, if required, will address all the issues identified in the Environmental Checklist, pursuant to Appendix G of the CEQA Guidelines. The majority of Appendix G topics (e.g., aesthetics, biological resources, cultural resources, hazards and hazardous materials, etc.) will be addressed qualitatively, while other topics (e.g., air quality and GHG emissions, noise, transportation, etc.) will be addressed quantitatively using technical studies prepared by the developer.
- Developers should consider if the proposed housing use will generally be in conformity with the local jurisdiction's General Plan; per the Housing Accountability Act: "a proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan." (Gov. Code, Section 65589.5(j)(4)).

Regional Housing Needs Assessment (RHNA)

- Although the site is located on State-owned land, completed projects may be counted toward the presiding local jurisdiction's RHNA allocation.
- For this to occur, the local jurisdiction must ensure that local land use regulations and zoning conform to the completed State project. This does not need to occur prior to project completion but does need to occur during the RHNA cycle in which the project is completed.

Plan Review

- Permitting is the responsibility of the State and may not be fully delegated to a local government. However, in certain jurisdictions, a plan review process can be developed on case-by-case basis such that the code compliance reviews are conducted by the local jurisdiction and the final permit issued by the State.
- The Construction and Inspection Management Branch (CIMB) of the Department of General Services will act as a "central receiver" to coordinate non-State inspectors (e.g., local fire marshal).
- With regards to modular construction specifically, HCD's Factory Built Housing Division will likely approve and inspect all "mods" before they leave the factory. Another inspector would be needed for on-site installation and other work. More info here: [HCD Factory-Built Housing \(ca.gov\)](https://www.ca.gov/hcd/factory-built-housing).



EXHIBIT 5 – FREQUENTLY ASKED QUESTIONS

1. Will the site be delivered with utilities stubbed to the site permit-ready?

Sites will be delivered as is. Conditions will vary from site-to-site.

2. What off-sites will need to be done, and at whose cost?

Customary off-site improvements will be expected, with the cost included in the project's construction budget. Conditions will vary from site-to-site.

3. Will there be a process to streamline permitting with one or just a few points of contact?

There will be an assigned DGS staff person for each site who will be the single point of contact for all matters relating to DGS for all stages of development.

4. Are there any requirements for subcontractors or trades working the site?

Currently, the program includes a prevailing wage requirement. This does not preclude future contracting or labor regulations.

5. Will parking requirements be eased depending on the population?

Parking requirements will be determined via discussions with DGS, the city, and the developer.

6. Does every unit need to be ADA-complaint, or just a percentage?

Minimum accessibility requirements are established by the California Building Code. The Excess Sites program seeks to maximize access in balance with other objectives.

7. Is any of this contingent on services being provided?

It is expected that on-site social services are provided to the levels customary and/or required for low-income housing.

8. Do we have responsibility for qualifying the residents' Section 8, veteran's voucher, or similar?

It will be the developer's responsibility to a) obtain any project-based vouchers they deem necessary for the project, and b) qualify residents against the requirements of all funding sources including vouchers, if applicable.



9. Who at the State will be responsible for handling all the entitlement work under State Sovereignty?

The Department of General Services will represent the State with regards to project approvals.

10. In reviewing the local zoning codes, existing zoning does not allow a residential use. Can you please verify if this is correct?

All state-owned land under the EO N-06-19 program will allow for a residential use per the State's sovereignty over land use approval of state-owned property.

11. What is the maximum density allowed by the State?

The state does not have a maximum density limit. However, respondents are encouraged to review the program Principles and Objectives when determining density and consider local context.

12. Is there a security deposit required to be made for the site?

No.

13. Is there any existing ALTA Surveys that can be provided?

No.

14. Does the site have disadvantaged-business enterprise requirements?

To be determined.

15. Will any portion of the site have to be utilized for interim or permanent supportive housing?

Interim supportive housing is not currently contemplated for this site. Permanent supportive housing is not a requirement; however, respondents are encouraged to review Principle & Objective #1 as well as the government code in Exhibit 2 regarding housing affordability.

EXHIBIT 6 – ADDITIONAL RELEVANT DOCUMENTS AND RESOURCES

- 1) Phase 1 Environmental Site Assessment

<https://dgscloud.box.com/s/p5c82ayjpuq5mqlisv215elt1v6dyd4b>

- 2) Rise Stockton Sustainable Neighborhood Plan

http://www.stocktongov.com/files/TCC_Sustainable_Neighborhood_Plan_150pages.pdf

- 3) City of Stockton Climate Action Plan

http://www.stocktongov.com/files/Climate_Action_Plan_August_2014.pdf

- 4) Envision Stockton 2040 General Plan

<http://www.stocktongov.com/government/departments/communityDevelop/cdPlanGenDocs.html>

- 5) City of Stockton Consolidated Plan 2020 – 2025

http://www.stocktongov.com/files/Consolidated_Plan_20-25_Action_Plan_20-21.pdf

- 6) San Joaquin Council of Governments Regional Transportation Plan

<https://www.sjocog.org/DocumentCenter/View/4156/Final-Compiled-RTPSCS-2018>

- 7) San Joaquin Council of Governments Sustainable Communities Strategy Implementation Study

https://www.sjocog.org/DocumentCenter/View/5436/23233_SCS_Implementation_Study_FINAL?bidId=

- 8) San Joaquin Council of Governments Envision 2050 Webpage

<https://www.sjocog.org/516/2022-RTPSCS-Envision-2050>



EXHIBIT 7 – SCORING CRITERIA

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EO N-06-19 RFP No. 3-21 San Joaquin County Fairgrounds

Scoring Criteria

Principle and Objective

| | |
|--|------------|
| | |
| Provides housing at a range of income levels | 30 |
| Maximize the depth and breadth of affordability | 75 |
| Provide mix of for-sale and for-rent housing | 30 |
| Consider the City Planning Framework | 15 |
| Sub-Total, Housing Mix and Affordability | 150 |
| | |
| Implement innovative financing models which reduce the necessity of scarce public resources. Leverage the income from commercial/retail and market-rate housing components of the development to subsidize on-site low-income housing, thereby advancing the objectives of the EO and limiting the need for scarce public resources. Examples of scarce public resources include Low Income Housing Tax Credits, tax-exempt bonds, and state/local housing loan or grant programs. | 50 |
| Provide tangible (financial) and non-tangible support to the fair. | 30 |
| Sub-Total, Financing Innovation | 80 |
| | |
| Strategically deliver on the timing goals of the EO by maximizing financial feasibility and accelerating delivery. | 100 |
| Sub-Total, Timing Efficiency and Financial Feasibility | 100 |
| | |
| Provide accessible housing for all Californians by meeting or exceeding the requirements of the California Building Code and local requirements by maximizing universal design principles. | 50 |
| Sub-Total, Accessibility | 50 |
| | |
| Incorporate the principles of the Rise Stockton Sustainable Neighborhood Plan, the San Joaquin Council of Governments (SJCOG) Sustainable Communities Strategy Implementation Plan and Regional Transportation Plan, and the ongoing SJCOG Envision 2050 planning work. | 100 |
| Sub-Total, Sustainability and Resiliency | 100 |
| | |
| Explore the extent to which innovative construction technology and/or other cost-saving measures can be incorporated at this location resulting in reduced total project costs, reduced construction duration, and/or improved building performance while maintaining quality of construction. | 100 |
| Sub-Total, Construction Innovation and Cost Efficiency | 100 |

| | | |
|--------------|--|----------------|
| 7 | Community Outreach, Partnership, and Collaboration | Scoring |
| | Integrate local stakeholder, government and community input through a meaningful public participation process and conversation by designing targeted and culturally responsive outreach so that the proposed development addresses local housing and community needs. It is critical to the success of the Project Area that the Stockton community and specifically the South Stockton community are kept at the forefront of Project Area vision-setting and implementation. | 100 |
| | Sub-Total, Community Outreach, Partnership, and | 100 |
| 8 | Utilize framework of State Sovereignty | Scoring |
| | Leverage the framework of State Sovereignty as further described in Exhibit 4 to maximize both the Principles and Objectives of this RFQ as well as state planning priorities regarding land use and density. | 50 |
| | Sub-Total, Utilize framework of State Sovereignty | 50 |
| 9 | Equity | Scoring |
| | Incorporate meaningful near-term measures into the project that will achieve measurable racial equity outcomes. | 50 |
| | Incorporate meaningful long-term measures into the project that will achieve measurable racial equity outcomes. | 50 |
| | Sub-Total, Equity | 100 |
| 10 | Respondent Capacity | Scoring |
| | Demonstrate the Respondent's financial capacity and experience necessary to successfully implement the envisioned plans, and to overcome possible setbacks in the development process. | 120 |
| | Sub-Total, Respondent Capacity | 120 |
| 11 | Quality Architecture and Contextual Design | Scoring |
| | Deliver a project that meets generally accepted principles of quality architectural design, and that takes nearby <i>external</i> services, transportation, amenities, and planned improvements into consideration. | 25 |
| | In addition, provide uses internal to the Project Area which enhance community and connectedness; examples include but are not limited to recreation centers and/or fields, social services center, schools and/or day care, public transportation, community and/or event centers, dog parks, community pools, walking/biking trails, and the continuation of active transportation, public transportation, and streetscape improvements into the existing community. These internal uses should also benefit and support the ongoing use of the SJCF by the 2nd District Agricultural Association (2nd DAA). | 25 |
| | Sub-Total, Quality Architecture and Contextual Design | 50 |
| TOTAL | | 1,000 |