

EXCLUSIVE NEGOTIATING AGREEMENT

THIS EXCLUSIVE NEGOTIATING AGREEMENT (the “Agreement”) is entered into as of _____, 2024 (the “**Effective Date**”), by and between the **HUNTINGTON BEACH HOUSING AUTHORITY**, a public body, corporate and politic (“**Authority**”), and **JAMBOREE HOUSING CORPORATION**, a California corporation (“**Developer**”). Authority and Developer may be individually referred to herein as a “**Party**” and collectively referred to herein as the “**Parties**”.

RECITALS

The following recitals are a substantive part of this Agreement.

A. Authority is the owner of fee title to certain real property commonly described as 17642 Beach Boulevard, in the City of Huntington Beach (“City”), County of Orange, State of California, consisting of Assessor Parcel Numbers 167-472-08; and -09, shown on Exhibit A and incorporated by this reference (the “Property”). The Property is approximately 1.6 acres located within the Beach and Edinger Corridor Specific Plan (“BECSP”) – Affordable Housing Overlay and improved with a temporary homeless shelter.

B. Authority desired to explore the possibility of repurposing the Property and issued a *Request for Qualifications for Real Estate Developers* (the “**RFQ**”) on March 22, 2022, (attached as Exhibit B) in order to identify a qualified development partner to develop, finance, and manage a new mixed-use development consisting of a permanent homeless shelter, a sobering center, support services (physical and behavioral healthcare, housing navigation, and employment), and transitional and low-income housing at various income levels (a “**Pathway Center**”).

C. Authority found the Developer to be a qualified partner and communicated the Developer had been selected as the recommended developer in the RFQ process.

D. Authority and Developer entered into an Exclusive Negotiating Agreement dated June 7, 2022 (“Original Agreement”) to include an Original Negotiating Period of 360 days. In August 2023, Authority exercised the Extension of the Original Agreement for an additional one hundred eighty (180 days), for a total of five hundred and forty (540) days. The Original Agreement will expired on December 7, 2023.

E. During the Original Negotiation Period, Authority and Developer determined the original concept was in need of substantial reimagining to better suit the community and the potential population.

F. Authority desires to explore the possibility of repurposing the Property and to identify a qualified development partner to develop, finance, and manage a

development with a revised scope, consisting of a permanent homeless shelter and low-income housing at various income levels (a **"Pathway Center"**).

G. Developer is interested in negotiating with Authority for purposes of determining the feasibility, and potential terms, under the revised scope, for Developer's acquisition of a leasehold or fee-simple interest in the Property.

H. The purpose of this Agreement is to establish a period during which the Developer may perform studies and investigations and other due diligence activities within the Property and other feasibility and financial analysis to determine the feasibility of Developer's acquisition of the Property for a Pathway Center and the Parties shall exclusively negotiate with each other in an attempt to agree on the terms of an affordable housing agreement, including a fee-simple acquisition, ground lease, or other disposition (an **"Affordable Housing Agreement"**).

NOW THEREFORE, the Parties mutually agree as follows:

1. Agreement to Negotiate in Good Faith. Authority and Developer agree that for the term of the "Negotiating Period" (as defined in Section 2 hereof) each Party shall diligently and in good faith attempt to negotiate the terms of an Affordable Housing Agreement for consideration by the Authority. During the Negotiating Period, Authority agrees to negotiate exclusively with Developer, and not to negotiate with any other person or entity, with regard to the sale or other disposition of the Property.

2. Negotiating Period. The negotiating period (the **"Negotiating Period"**) shall be for a period of three hundred sixty (360) days, commencing on the Effective Date. The Executive Director of Authority, or his or her designee, shall have the right, in his or her sole discretion, to extend the Negotiating Period for up to an additional one hundred eighty (180) days, resulting in a total potential Negotiating Period of up to Five Hundred Forty (540) days. Upon the expiration of the Negotiating Period, or upon the Parties' signing an Affordable Housing Agreement for the Property, this Agreement shall automatically terminate, without further written notice or action by either Party. Upon such automatic termination, the Parties acknowledge and agree that neither Party shall have any further rights or remedies as to the other, except as specifically set forth herein.

3. Due Diligence. During the Negotiating Period, Developer and its employees, contractors, agents, representatives, architects, engineers and consultants (collectively, the **"Developer Entities"**), at Developer's sole cost and expense, shall have the right to enter and inspect the Property, make surveys and conduct such soils, engineering, hazardous or toxic material, pollution, seismic or other tests, studies and investigation as Developer may require (collectively, the **"Inspections"**), pursuant to the terms of this Section 3.

(a) Developer shall cause the Inspections to be conducted during regular business hours (7:00 a.m. to 6:00 p.m., Monday through Friday) upon not less than twenty-four (48) hours' prior written notice to Authority. Authority may have a representative present at any Inspections of the Property.

(b) In conducting its Inspections at the Property, Developer and the Developer Entities shall: (i) not damage any part of the Property (other than invasive testing conducted in accordance with Sections 3(c) and (d) below) or any personal property owned or held by any third party; (ii) promptly repair any damage to the Property resulting from the entry by Developer or the Developer Entities or from any such Inspections; (iii) comply with all applicable laws; and (iv) not permit any liens to attach to the Property by reason of the exercise of Developer's rights hereunder.

(c) Notwithstanding anything to the contrary in this Section 3, Developer shall not undertake any invasive testing, including, without limitation, taking samples of any kind or type from the Property, without Authority's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

(d) Promptly upon completion of each Inspection, Developer shall cause the portion of the Property subject to such Inspection to be restored to the condition existing immediately prior to such Inspection, to the extent reasonably practicable. Developer shall provide Authority, at no additional charge and without representation or warranty of any kind, with copies of non-proprietary reports prepared by third parties for Developer in connection with the Inspections within three (3) business days of Developer's receipt of the same.

(e) Developer hereby indemnifies, defends, and holds harmless Authority and City and Authority's and City's officers, officials, members, employees, directors, agents, representatives, contractors, and volunteers (collectively, the "Authority and City and Authority and City Personnel"), and the Property, free and harmless from and against any and all claims, damages, liabilities, demands, injury, actions, liens, stop notices, losses, costs and expenses (including without limitation reasonable attorneys' fees and court costs) to the extent arising from or as a result of the conducting of Inspections, except to the extent caused by an indemnified party's active negligence, recklessness or intentional misconduct.

(f) Developer's obligations under this Section 3 shall survive the expiration or termination of this Agreement.

4. Insurance. Without limiting Developer's indemnification obligations under this Agreement, Developer shall procure and maintain, at its sole cost and for the duration of this Agreement, insurance coverage as provided below, against all claims for injuries against persons or damages to property which may arise from or in connection with the performance of the work hereunder by Developer and/or the Developer Entities, including without limitation Developer's conducting of the Inspections. In the event that Developer subcontracts any portion of the work, the contract between Developer and such subcontractor shall require the subcontractor to maintain the same types (with the same endorsements) and amounts of insurance that Developer is required to maintain pursuant to this Section.

A. Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01 including

completed operations and contractual liability, with limits of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate for liability arising out of Developer's performance of this Agreement, including without limitation Developer's conducting of the Inspections. Such insurance shall be endorsed to:

- (1) Name the Authority/City and Authority/City Personnel as additional insureds for claims arising out of Developer's performance of this Agreement, including without limitation Developer's conducting of the Inspections.
- (2) Provide that the insurance is primary and non-contributing with any other valid and collectible insurance or self-insurance available to Authority/City.

B. Automobile Liability Insurance with a limit of liability of not less than \$1,000,000 each occurrence and \$1,000,000 annual aggregate. Such insurance shall include coverage for all "owned," "hired" and "non-owned" vehicles, or coverage for "any auto." Such insurance shall be endorsed to:

- (1) Name the Authority/City and City Personnel as additional insureds for claims arising out of Developer's performance of this Agreement, including without limitation Developer's conducting of the Inspections.
- (2) Provide that the insurance is primary and non-contributing with any other valid and collectible insurance or self-insurance available to Authority/City.

C. Workers' Compensation Insurance in accordance with the Labor Code of California and covering all employees of Developer providing any service in the performance of this Agreement. Such insurance shall be endorsed to waive the insurer's right of subrogation against the Authority/City Personnel.

D. Evidence of Insurance: Developer shall provide to Authority/City a Certificate(s) of Insurance evidencing such coverage, together with copies of the required policy endorsements, no later than five (5) business days prior to commencement of any inspections and prior to the expiration of any policy. ***Statements on an insurance certificate will not be accepted in lieu of the actual endorsements required.*** Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, non-renewed, or materially changed for any reason, without thirty (30) days prior written notice thereof given by the insurer to Authority by U.S. mail, or by personal delivery, except for nonpayment of premiums, in which case ten (10) days prior notice shall be provided.

E. Acceptability of Insurers. Each policy shall be from a company with current A.M. Best's rating of A- VII or higher and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus lines brokers under

applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by Authority.

5. No Predetermination of City Discretion. The Parties acknowledge and agree that nothing in this Agreement in any respect does or shall be construed to affect or prejudice the exercise of Authority/City's discretion concerning the consideration of an Affordable Housing Agreement. The Parties do not intend for this Agreement to be an Affordable Housing Agreement, development agreement, or other agreement for the lease or other conveyance, or the development, of the Property. The Parties acknowledge and agree that they have not agreed upon the essential terms of the subject matter of a transaction, and that such essential terms will be the subject matter of further negotiations. The Parties acknowledge and agree that any final agreement, if an agreement is reached, would be in the form of an Affordable Housing Agreement, and any such Affordable Housing Agreement would not be effective until it has been considered and formally approved by the Huntington Beach Housing Authority Board of Directors and Developer, and thereafter has been executed by authorized representatives of each of the Parties. Notwithstanding anything in this Agreement to the contrary, Authority does not intend by this Agreement to commit to a definite course of action with respect to the Property, and Authority retains full discretion with respect to (i) the Property, (ii) an Affordable Housing Agreement, (iii) any determination under the California Environmental Quality Act of 1970, Public Resources Code Section 21000, *et seq.* ("**CEQA**") with respect to the consideration of an Affordable Housing Agreement and/or any proposed development of the Property.

6. Costs and Expenses. Each Party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with the performance of its obligations under this Agreement.

7. Lead Negotiators. The Executive Director, or his or her designee, shall be the lead negotiator for the Authority with respect to the subject matter of this Agreement. The Chief Development Officer of Developer, or his or her designee, shall be the lead negotiator for Developer with respect to the subject matter of this Agreement.

8. Change in Developer. The qualifications of Developer are of particular interest to Authority. Consequently, with the exception of an "Affiliate" (as defined below), no person or entity, whether a voluntary or involuntary successor of Developer, shall acquire any rights or powers under this Agreement, nor shall Developer assign all or any part of this Agreement, without the prior written approval of Authority. Any such approval by Authority may be granted, withheld or denied at Authority's sole and absolute discretion. Any other purported transfer, voluntarily or by operation of law, shall be absolutely null and void and shall confer no rights whatsoever upon any purported assignee or transferee. As used in this Agreement, the term "**Affiliate**" means any person or entity directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Developer. The term "control" as used in the immediately preceding sentence, means, with respect to a person or entity that is a corporation, the right to the exercise, directly or indirectly, of more than fifty percent (50%) of the voting rights attributable to the shares of the controlled corporation, and, with

respect to a person or entity that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person or entity.

9. Property Documents; Authority Cooperation. Within fifteen (15) days after the Effective Date, Authority shall provide or cause to be provided to Developer all documents relating to the physical or environmental condition of the Property (including, but not limited to, environmental, property physical condition, geological studies, engineering and structural analyses, and geotechnical reports and soil tests and analyses) to the extent reasonably known to be in the Authority's or City's possession.

10. Address for Notices. Any notices pursuant to this Agreement shall be in writing and delivered (i) in person, (ii) by reputable overnight delivery service that provides a receipt with the time and date of delivery, such as Federal Express, or (iii) by United States Mail, certified or registered, postage prepaid, return receipt requested, to the following addresses:

To Authority: Huntington Beach Housing Authority
2000 Main Street
Huntington Beach, CA 92648
Attn.: Executive Director

With a copy to: City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648
Attn: City Attorney

To Developer: Jamboree Housing Corporation
17701 Cowan, Suite 200
Irvine, CA 92614
Attn: Laura Archuleta, CEO

With a copy to: Rutan & Tucker, LLP
18575 Jamboree Road
9th Floor
Irvine, CA 92612
Attn: Pat McCalla

Any Party may designate a different address for itself by notice similarly given. Any notice, demand or document so given, delivered or made by United States mail, shall be deemed to have been given seventy-two (72) hours after the same is deposited in the United States mail as registered or certified mail, addressed as above provided, with postage thereon fully prepaid. Any notice, demand or document delivered by overnight delivery service shall be deemed complete upon actual delivery or attempted delivery, provided such attempted delivery is made on a business day. Any such notice, demand

or document not given by registered or certified mail or by overnight delivery service as aforesaid shall be deemed to be given, delivered or made upon receipt of the same by the Party to whom the same is to be given or delivered.

11. Default. Failure by either Party to negotiate in good faith or to perform any other of its obligations as provided in this Agreement shall constitute an event of default under this Agreement. The non-defaulting Party shall give written notice of a default to the defaulting Party, specifying the nature of the default and the action required to cure the default. If the default remains uncured fifteen (15) days after the date of such notice, the non-defaulting Party may exercise the remedies set forth in Section 12 of this Agreement.

12. Remedies for Breach of Agreement. In the event of an uncured default under this Agreement, the sole remedies of the non-defaulting Party shall be to (a) terminate this Agreement, (b) institute an action for specific performance of this Agreement, or (c) institute legal action to recover actual damages for the default (limited to actual, documented out-of-pocket costs incurred by the non-defaulting Party as a result of such default). Following the termination of this Agreement, neither Party shall have any further rights, remedies or obligations under this Agreement, except as specifically set forth herein. Neither Party shall have any liability to the other for monetary damages for failure to reach agreement on an Affordable Housing Agreement, and each Party hereby waives and releases any such rights or claims it may otherwise have at law or at equity. The Parties' rights and obligations under this Section 12 shall survive the expiration or termination of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

14. Time of Essence. Time is of the essence of every portion of this Agreement in which time is a material part.

15. Agreement Does Not Constitute Development Approval. City and Authority reserve final discretion and approval as to any proposed development of the Property and any Affordable Housing Agreement and all proceedings and decisions in connection therewith. This Agreement shall not be construed as a grant of development rights or land use entitlements to construct a Pathway Center or any other project on the Property. All design, architectural, and building plans for any proposed development shall be subject to the review and approval of City and any other Federal, State or local entity with jurisdiction over the Property and/or proposed development. By its execution of this Agreement, Authority is not committing itself to or agreeing to undertake any disposition of the Property to Developer, or any other acts or activities requiring the subsequent independent exercise of discretion by City or any agency or department thereof.

16. Governing Law. This Agreement shall be construed in accordance with the internal laws of the State of California, without regard to conflict of law principles.

17. Amendments. This Agreement may not be altered, amended, changed, waived, terminated or modified in any respect or particular unless the same shall be in writing and signed by the Parties.

18. Implementation of Agreement. The Authority shall maintain authority to implement this Agreement through the Executive Director (or his or her designee). The Executive Director shall have the authority to make approvals, waive provisions and/or enter into certain amendments of or implementing agreements for this Agreement on behalf of Authority so long as such actions do not materially or substantially change the substantive business terms of this Agreement, or add to the costs incurred or to be incurred by Authority or City as specified herein. All other material and/or substantive approvals, waivers, or amendments shall require the consideration, action and written consent of the Huntington Beach Housing Authority Board of Directors.

21. Real Estate Commissions. Each of the Parties represents and warrants to the other Party that no real estate commission, broker's fees, or finder's fees which may accrue by means of the acquisition of the Property is due to any person, firm or entity. Authority shall indemnify, protect, defend and hold harmless Developer from any loss, liability, damage, cost, claim or expense (including reasonable attorneys' fees) incurred by reason of any broker fee, commission or finder's fee that is payable or alleged to be payable to any broker or finder which results from any act or agreement of Authority. Developer shall indemnify, protect, defend and hold harmless Authority from any loss, liability, damage, cost, claim or expense (including reasonable attorneys' fees) incurred by reason of any broker fee, commission or finder's fee that is payable or alleged to be payable to any broker or finder which results from any act or agreement of Developer.

22. Conflict of Interest. No member, official or employee of Authority/City having any conflict of interest, direct or indirect, related to this Agreement shall participate in any decision relating to this Agreement. The Parties represent and warrant that they do not have knowledge of any such conflict of interest.

23. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which when taken together shall constitute one and the same instrument.

[End of Agreement- Signature page follows]

NOW THEREFORE, Authority and Developer have executed this Exclusive Negotiating Agreement as of the date first set forth above.

AUTHORITY:


**HUNTINGTON BEACH HOUSING
AUTHORITY**, a public body, corporate and
politic

By: _____
Chair

ATTEST:

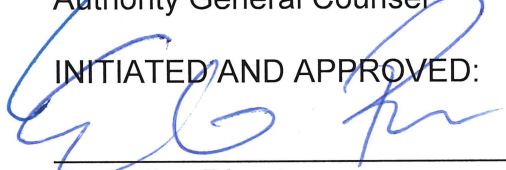
Authority Clerk

APPROVED AS TO FORM:



Authority General Counsel *for*

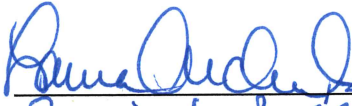
INITIATED AND APPROVED:



Executive Director

DEVELOPER:

JAMBOREE HOUSING CORPORATION, a
California corporation

By:  *Dan A. DeLaura*
Its: *President & CEO*

Architect

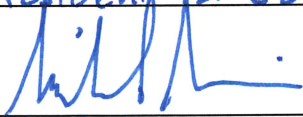
By:  *Michael Massey*
Its: *Chief Development officer*

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Real property located in the City of Huntington Beach, County of Orange, State of California, described as follows:

EXHIBIT 1
LEGAL DESCRIPTION

PARCEL 1:
17642 BEACH BLVD
APN: 167-472-09

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 7 OF TRACT 405, AS PER MAP RECORDED IN BOOK 16, PAGES 31 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

PARCEL 2:
17631 CAMERON LANE
APN 167-472-08

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 6 OF TRACT NO. 405, IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16, PAGE 31, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
PLOTTED EASEMENT

EXHIBIT “B”
REQUEST FOR QUALIFICATIONS

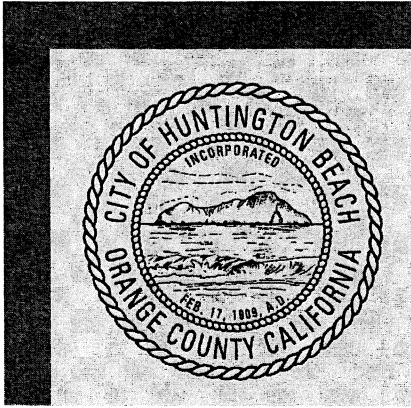


Healing Center

Request for Qualifications For Real Estate Developers

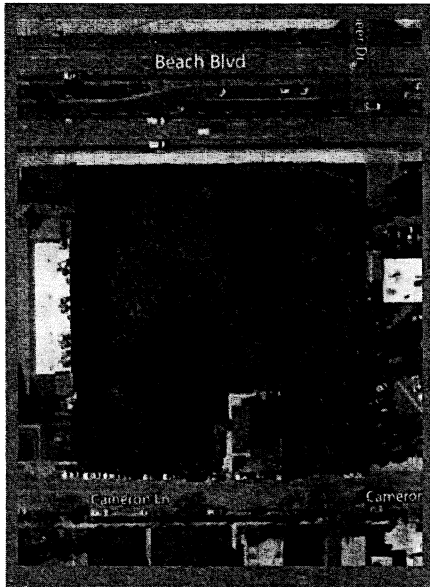
Release Date: March 22, 2022

Table of Contents
+ Summary
+ Solicitation Purpose
+ Scope of Work
+ Application Process



About the City of Huntington Beach

Huntington Beach is located along the Southern California Coast of Orange County, 35 miles south of Los Angeles and 90 miles north of San Diego. Named for railroad magnate Henry Huntington who orchestrated the City's development, the City is best known today for its 8.5 miles of uninterrupted beaches, excellent year-round weather, and a surf culture that draws 4 million visitors annually. Beyond the shoreline, Huntington Beach is a full-service city with its own fire and police departments, an extensive park and library system, robust investments in capital infrastructure, a diverse economic base, and an excellent education system.



About Huntington Beach Housing Authority

The Huntington Beach Housing Authority ("HBHA") was established in 2011 per Health & Safety Code Sections 34200 et. seq. for the purpose of addressing a shortage of safe and sanitary dwelling accommodations in the City available to persons of low income at rents they can afford. HBHA facilitates affordable housing by acquiring and disposing of real property and providing a source of funding to be leveraged with other funding sources. The City of Huntington Beach currently has a portfolio of approximately 3,000 deed restricted, affordable housing units.

In 2019 and 2020 HBHA acquired two adjacent parcels for a total site area of 1.6 acres to facilitate an affordable housing project. The property is located at 17642 Beach Boulevard ("Site"). Since acquisition, the Site has been improved with a temporary homeless shelter ("Navigation Center").

Solicitation Purpose

HBHA is releasing a Request for Qualifications ("RFQ") to identify experienced developers interested in redeveloping the Site. The purpose of this RFQ is to identify qualified development partners to develop, finance, and manage a new mixed-use development consisting of a homeless shelter, a sobering center, support services (physical and behavioral healthcare, housing navigation, and employment), and transitional and low-income housing at various income levels. The City currently has a shelter operator under contract for the Navigation Center and presumes that they will operate the permanent shelter if it is completed during the term of their contract.

Through this RFQ process, HBHA seeks to alert experienced developers to the opportunity; assess developer qualifications, capacity and interest in working with HBHA and other service providers; and receive market feedback on the broader vision for the Site. Interested developers are invited to participate in an optional site tour on March 28, 2022 at 2:00pm and a virtual information session on April 8, 2022 at 10:00am.

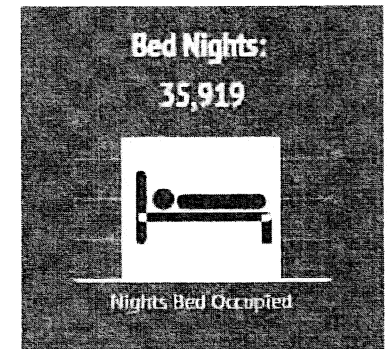
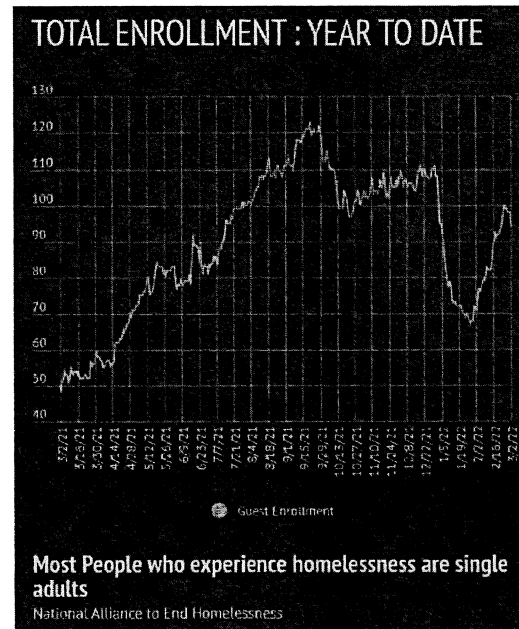
Responses to this RFQ are due on April 21, 2022. Following receipt of qualification statements, HBHA will identify a shortlist of developers to interview. If an appropriate development partner is identified after the interviews, HBHA will enter into an Exclusive Negotiation Agreement ("ENA") with the selected developer during which time specific terms and conditions of a multiple agreements including, but not limited to a disposition and affordable housing agreements.

Important Dates:

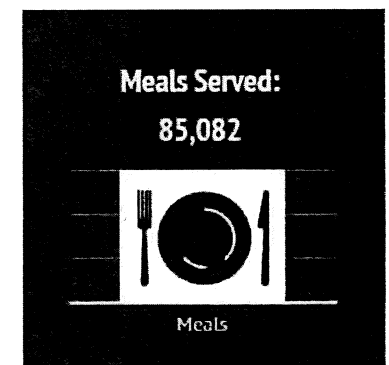
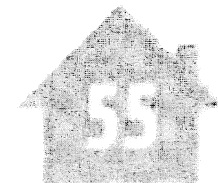
Optional Site Tour	March 28, 2022 at 2pm
Virtual Info Session	April 8, 2022 at 10am
RFQ Deadline	April 21, 2022 at 5pm

About the Navigation Center

The Navigation Center was developed as a temporary, emergency shelter to support individuals experiencing homelessness. It is comprised of a sprung tent structure that can accommodate up to 174 beds as a congregate facility. There are separate areas for men, women, couples, and non-binary. Trailer facilities are utilized for bathrooms/ showers, laundry, hot box room, communal dining/ lounge, administrative office space and private counseling rooms. The Navigation Center also accommodates storage, a dog run, and space for a mobile trailer for supportive service providers to provide medical services on a weekly basis. The Navigation Center opened its doors in December of 2020. Due to the COVID-19 pandemic, social distancing requirements have reduced full capacity to allow for extra space in between beds. Upon stabilization, the Navigation Center has experienced an average of roughly 100 occupants daily, at the reduced capacity, and has placed 55 individuals into housing or other options that have kept them from returning to the streets.



Total Housed:
December 2020-Present





Project Vision

The Site is located within the Neighborhood Boulevard segment of the Beach and Edinger Corridors Specific Plan (“BECSP”). This segment along Beach Boulevard (Hwy 39) is characterized by a significant amount of aging commercial strip development, including auto-oriented uses, such as car dealerships. Development types are dominated by one-story, single-loaded commercial buildings surrounded by surface parking lots with little landscaping or pedestrian amenities. The planning approach to this area is to facilitate long-term transition from strip retail to uses more focused on nearby populations, featuring development types that retain visibility to motorists on Beach Boulevard, while providing a more visually attractive and comfortable pedestrian environment. Neighborhood-serving and hospital-serving retail and services, corner/crossroads located retail, and office and office-medical are encouraged to take advantage of the proximity to the Huntington Beach Hospital and its related cluster of medical services. In fill residential uses are also permitted throughout this segment.

Since acquiring the Site in 2020, HBHA has worked with the City and County of Orange to facilitate the Navigation Center. The City Council’s aspires to address homelessness in a unique and meaningful way. Through this RFQ, HBHA is seeking a development partner to facilitate creating a distinct facility to support individuals from street to home. The goal of this facility is to provide space that allows the engagement of unhoused individuals and create a path from homelessness to housing; while addressing the underlying barriers that have prevented housing in the past. The desired continuum of services to be provided on site include a combination of shelter operations, a sobering center, behavioral and physical healthcare, housing navigation, and employment services. A development partner that is equally committed to assisting the City in making significant impacts toward the well-being of our most vulnerable community members is desired.

The City is currently working with an architectural firm to understand the improvements that are necessary to realize the vision. Potential operating models for the non-residential space are being explored. HBHA could solicit an operator(s) for the non-residential space through a separate procurement; however, respondents are encouraged to partner with potential operators and urged to express that interest in their response and outline a strategy for tenanting the building. Preference will be conferred to respondents that have a demonstrated track record working with the desired types of service providers.



Additional Site Information

The Site is located at 17642 Beach Boulevard and is comprised of two parcels, both controlled by HBHA, totaling 1.6 acres of land. Beach Boulevard is a State highway (Hwy 39) and is a High Quality Transit Corridor with the closest bus stop located within 800 feet of the Site. The Site is located within 2,000 feet of Huntington Beach Hospital and within 1,000 feet of a Federally Qualified Health Center (FQHC). It is also located just over a half a mile from a full service grocery store. The Site is bordered by a residential neighborhood (to the east) and commercial uses to the north, south and west.

The Site is zoned Mixed-Use – Affordable Housing Overlay (SP 14 - Beach and Edinger Corridors Specific Plan). SP 14 is a form-based code with prescriptive development standards and allows for a mix of commercial and residential uses. The Affordable Housing Overlay allows for by-right development (i.e. no discretionary public hearing) for projects that include at least 20% of the units affordable at no more than 60% Area Median Income (“AMI”).

HBHA desires 100% of the units to be affordable at various income levels with all units at 60% AMI or less. It is HBHA's desire that the housing units qualify as supportive housing, as defined in Section 65650 of the Government Code.

As part of due diligence for acquisition, various contaminants were found on site. A full site assessment for each parcel is included as Appendices A and B. The Orange County Health Care Agency served as the oversight agency for the Navigation Center project. Their site summary and recommendations are included as Appendix C.

For informational purposes only, a Site Density Test Fit was conducted and is included as Appendix D.

AESCO has been retained to prepare a soils report. This report is not available at the time of publication of this RFQ. A letter containing preliminary foundation recommendations is included as Appendix E.



Scope of Work

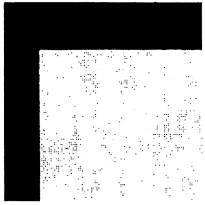
HBHA, City, and Developer Roles

HBHA seeks to engage a vertical developer that would be responsible for entitlements and approvals, environmental assessments and testing, infrastructure, and community engagement related to the project. HBHA is open to that partner bringing on other developers for discrete components such as affordable housing, medical office, etc. HBHA encourages partnerships with service providers. The developer (whether a single entity or a team of individual developers and service providers) would also be responsible for project design, securing financing, overseeing construction, leasing, and ongoing property and asset management related to the project.

HBHA's role will be the pro-rata contribution of the land for housing and securing additional, limited funding for the affordable housing. Any form of disposition of HBHA-owned land for non-residential use will be at fair-market value. HBHA is open to exploring multiple disposition and/or partnership structures that suit the best development outcome, including but not limited to fee-simple, installment sale, joint venture or long-term ground lease.

The City's role will be its pro-rata share of the capital and infrastructure costs associated with the shelter and will work to identify other public sources of funding for ongoing operations.

Respondents will be evaluated based on their experience leading complex mixed-use development (ideally in the space of affordable housing, homeless shelters, sobering centers, and supportive services), securing entitlements and financing, ability to provide a guarantee of completion, achieving design excellence while promoting the objectives of SP 14, and demonstrated partnerships with service providers and community organizations.

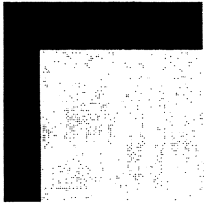


RFQ Proposal Evaluation

Project Timeline Information

HBHA intends to select a development partner based on the most qualified entity for this unique project. Statements of Qualification will be evaluated and only the most qualified entities will be invited for an interview. The most qualified respondents will be gauged by their demonstrated technical and financial ability to carry out similar development projects on time and on budget, established relationships with service providers, and understanding the vision and objectives for the Site.

RFQ Release Date	March 22, 2022
Q&A Period	March 22-April 4, 2022
Optional Site Tour	March 28, 2022
A & A Answers Posted	April 6, 2022
Virtual Q & A Session	April 8, 2022
RFQ Deadline	April 21, 2022
Shortlist Interviews	April 29, 2022
Finalize ENA Term Sheet	May 26, 2022
Approval of ENA by CC	June 7, 2022



Submission Instructions

Respondents interested in serving as HBHA's development partner must submit the following information in the order prescribed below. Each section should be separated by headings and clearly marked. Points will be deducted for failure to comply with submission instructions. Responses should be thorough and clearly organized using the structure below, yet be as brief as possible.

Section 1: Cover Letter and Contact Information

Include a cover letter that succinctly summarizes your team's interest in the project. Identify the single point of contact with authority to make decisions (preferably executive level) for your organization with whom to communicate during the solicitation process, along with their contact information.

Section 2: Developer Qualifications & Experience

A. Organizational Structure: Indicate if the Respondent to this RFQ will be a single firm, joint venture or partnership. If a joint venture or partnership, describe the organizational structure and legal framework by which the work would be carried out.

B. Firm's Expertise: Provide an overview of the Respondent's expertise and services provided and an overall description of its portfolio of projects. Discuss your team's experience developing mixed-use and mixed-income projects, including those done through public-private partnerships if applicable. Highlight any development experience in the Orange County/ Los Angeles region if applicable.

C. Relevant Experience: Provide up to 3 detailed examples of your experience developing and/or operating mixed-use, mixed-income projects of similar size, scope, and character, with an emphasis on any projects that included affordable and mixed-income housing, homeless shelters, and social services.



Submission Instructions (cont.)

The following must be included for each project example:

Project name and location

- Date of award of contract
- Construction start and end dates (include phasing plan if applicable)
- Program description and uses, including residential, homeless shelter, medical, social services, etc.
- Include gross square footage and unit counts. For residential, note market rate vs. affordable and identify AMI levels.
- Other partners involved (other developers, non-profits, government partners, community orgs., etc.)

D. Financing Structure:

- Names of financing institutions, including lenders and equity provider and the true ownership of borrowing entities.
- Any subsidies or tax-credit programs utilized, if applicable.
- Any public financing utilized.
- Project budget vs. final cost.
- Include details of performance and completion guarantees, including parties at-risk.

E. Project References:

Include contact name, position, organization, phone number, and e-mail

F. Financial Capacity Statement:

Provide evidence of your firm's financial capacity to take on this project, including:

- Information about recent closings.
- Liquid capital or letter of credit, and letters of support from debt and/or equity providers, etc.



Submission Instructions (cont.)

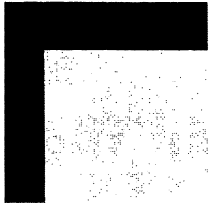
- Audited financials for the previous two years for the Respondent, if the identified developer and manager parties are related parties (“Related Team Members”) with an operating history. In the case of a Respondent (a) with Related Team Members, but no operating history or (b) that is a joint venture of otherwise unrelated developer(s) and property manager(s), supply audited financials for the previous two years for both the developer team member(s) and the property manager team member(s). The Financial Statements should be emailed separately and directly to the City’s technical advisor, Andria Martinez with the National Development Council (NDC) at AMartinez@ndconline.org.

Note: Financial statements and related information will not be returned. After review and analysis, all financial statements will be shredded and destroyed prior to award of the subsequent contract(s). NDC will use this information only to confirm that the entity is financially capable of completing the project and will advise HBHA on the strength of the financial capacity. This information will be used for no other purposes and will remain confidential to the extent permitted by law.

G. Past and Current Litigation Disclosure: Provide documentation of all litigation actions taken against your firm, or related parties, in the past 5 years, including any ongoing and/or pending actions which may impact your firm’s capacity to successfully perform the Civic Center project if selected.

Section 3: Respondent Information

- Identify the development team and provide an organization chart that includes all anticipated team members and their roles (architect, engineer, specialty consultants, etc.).
- Provide the biographies for key development staff that would work directly with HBHA.
- Include the qualifications of your anticipated partners outside your immediate company, including firm/organization overview, relevant experience, and biographies for key staff.
- Describe projects where members of the Respondent team worked together.



Submission Instructions (cont.)

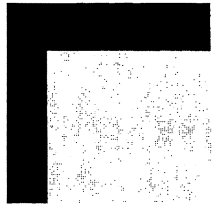
Section 4: M/WBE Inclusion Goal

HBHA seeks to work with a developer(s) that is committed to high minority and women-owned business (M/WBE) participation as well as participation from local and/or disadvantaged businesses.

Section 5: Development Approach

Please prepare responses to the following:

- Describe your team's preferred development strategy for the site. Does your team have a preferred disposition strategy (buy, ground lease, etc.)?
- Provide your team's feedback on HBHA's overall vision for the Site. What opportunities and challenges does the Site present?
- How would your team approach public outreach and engaging the community?
- Describe your team's experience developing contaminated property(ies).



Evaluation Criteria

The evaluating process is designed to select a Respondent, not based on the least cost, but rather the Respondent(s) with the best combination of attributes, (experience, financial capacity/ ability to secure funding, and successful partnerships with service providers). Respondent(s) must provide all information outlined in the evaluation factors (defined below) for the Respondent's Submission of Qualifications to be considered responsive. The quality of answers rather than length of responses to this RFQ is important. The maximum points that shall be awarded for each of the evaluation factors are detailed and described below. HBHA's basis of selection for final determination of shortlisted Respondents shall be within its sole discretion.

A. Has the Respondent provided a detailed inventory of the development team's relevant projects, roles, and outcomes while highlighting comparable factors between the team's experience and the Civic Center site? (20 points)

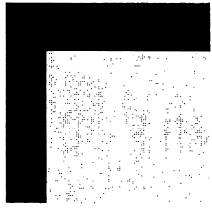
B. Has the Respondent provided evidence of successful outcomes related to similar large-scale land development projects, including working with government agencies and community groups to secure entitlements? (20 points)

C. Has the Respondent identified key financial relationships and demonstrated a track record of securing financing and strong, sustainable financial performance on relevant projects? (20 points)

D. Has the Respondent provided evidence of on-time, on-budget completion of similar past projects? (10 points)

E. Has the Respondent demonstrated experience leading projects that showcase both time-tested and cutting-edge best practices in design and sustainability? (10 points)

F. Has the Respondent previously partnered with not-for-profit and/or community-based organizations? Did the Respondent describe its role and responsibilities, and how the partnership contributed to a symbiotic arrangement to the benefit of the project? (20 points)



Contact Information

Respondents who wish to make inquiries requesting clarification of the RFQ must do so in writing. All questions must be received by April 4, 2022 at 4pm. HBHA will make all submitted questions and answers available to all participating parties no later than April 6, 2022 at 4pm. Respondents who are interested in participating in the optional site tour should RSVP via e-mail to Jason Austin, Deputy Director of Homeless and Behavior Health at JAustin@hbpd.org no later than one day prior to the event. No RSVP will be required prior to the Virtual Q&A Session. RFQ responses are due no later than April 21, 2022 at 5:00pm and must be submitted as a PDF and emailed to Charles.Kovac@surfcity-hb.org.