

APPENDIX 2

San Mateo County

Mental Health Services Act Housing Program

Developer Standards

San Mateo County is utilizing a three-tiered system to evaluate whether a potential project sponsor meets the basic threshold requirement as a qualified developer of an MHSA Housing project. In addition to meeting the criteria described below, project sponsors will need to demonstrate a history of serving the target population or an MOU with a qualified service provider. The criteria include the following three levels of experience.

Tier One: Developers who meet the criteria defined in Tier One are qualified to apply for funding directly, with no additional joint venture partners or assistance (although they may be part of a joint venture, as well).

Tier Two: Developers who meet the criteria of Tier Two must have additional assistance e.g. partnering with a tier one level developer, engaging a qualified development consultant (individual or firm) approved by DOH and/or by hiring qualified staff to project manage the project.

Tier Three: Developers with relatively limited experience described in Tier Three will need to joint venture with a Tier One developer in order to be considered for funding from this program.

Prior to submission of an MHSA Housing application to the State, DOH will review and approve all joint venture agreements.

TIER ONE DEVELOPER EXPERIENCE

In order to be considered for funding, a developer must show experience and capacity to complete the project. Experience includes the successful development and completion of at least five projects. To be considered, projects must be of a similar size and type as the proposed project.

An evaluation of relevant experience may include, but is not limited to:

- Similarity of previous projects including
 - Ownership or rental
 - Rehabilitation or new construction
 - Number of units and unit mix
 - Income levels served
 - Types of permanent financing
 - Project start and completion dates
 - Level of complexity of project
- Qualifications of current staff including resumes of key staff
- Qualifications of board members
- Audited financial statements for the past two years.

Property Manager

A Property Manager must be selected prior to submittal of an application for funding to the State. The Property Manager must have experience managing at least five projects of similar size, income mix, unit mix, population mix, and service enrichment.

An evaluation of relevant experience may include, but is not limited to:

- A list of all properties currently managed by the property management company
- Evidence that the property management firm can, and is willing to, take on an additional property
- Resumes of key management staff
- A minimum of three references
- A management plan, either the actual plan for this property, or a sample of a similar plan

If the developer proposes to act as property manager, the same information must be provided and thresholds met.

TIER TWO DEVELOPER EXPERIENCE

In order to be considered for funding, a developer must show experience and current capacity to complete the project. Developers with less experience than those in Tier One may still be eligible for funding by either joint venturing with a more experienced developer or by bringing in staff and/or consultants to add experience and capacity. If a developer wishes to qualify for Tier Two, a discussion of how the developer intends to supplement their capacity must be included in the funding application. A minimum of one successfully completed project that matches the size and scope of the proposed project must be demonstrated. See Tier One for the list of evaluation criteria.

TIER THREE DEVELOPER EXPERIENCE

If a developer does not meet the criteria for either Tier One or Tier Two as described above, they must joint venture with a developer partner and property management partner with the experience that meets the Tier One criteria. Prior to funding, DOH will review and approve all joint venture agreements. Joint venture partners will be evaluated based on the criteria described in the Tier One criteria.

DEVELOPMENT TEAM

Regardless of the developer tier, all members of the development team must demonstrate the experience and capacity to complete the project. Those criteria are listed below.

Architect

The architect or architectural firm must have experience developing three projects that are similar to the proposed project. This experience must be demonstrated by providing:

- Names and addresses of projects of comparable size and with similar financing

- structures and types of construction;
- Resumes of staff involved in the proposed project including the lead staff person for this project and his/her experience with similar projects;
- References, including at least three from owners of the similar projects described above.

Attorney

Attorneys must have experience working on at least three projects that are similar to the proposed project. Key staff at each law firm should have experience with housing development. If the developer is using different law firms for different aspects of the development, please provide the following information for each firm:

- Experience with real estate law;
- Experience with nonprofit corporate law;
- Experience with low income housing tax credit syndication, if applicable;
- Resumes of firm and key staff members;
- Three or more references.

Contractor

The contractor must have experience with at least three projects that are similar to the proposed project. The contractor must provide the following information:

- Experience with similar construction type;
- Experience with Davis-Bacon and Prevailing Wage projects, (if applicable);
- Financial capacity and bonding capacity equal to 100% of the construction amount;
- Resumes of firm and key staff, including the site supervisor;
- Three or more references;
- Documentation of liability and worker's compensation insurance.

The Contractor must have all applicable licenses in good standing, and must not be on the federal Debarred and Suspended Contractors List.