

REQUEST FOR QUALIFICATIONS
Early Childhood Education Operator
for Sunnydale HOPE SF Block 3 Mixed-Use Building

Pre-Submittal Meeting: 12:30 to 2:00 PM on Thursday, June 6, 2019
Deadline: 5:00 PM on Friday, June 28, 2019

INTRODUCTION

Related California (“Related”) and Mercy Housing California (“Mercy”) (collective, “Sponsors” or “Owners”), in partnership with the San Francisco Office of Early Care and Education (“OECE”) and the San Francisco Mayor’s Office of Housing and Community Development (“MOHCD”), invite written qualifications, including all required supporting materials, by the deadline to be considered for selection as a nonprofit early childhood education operator (“Service Provider”) to occupy and operate an on-site mixed-income early childhood education center (“Center”) in the Sunnydale/Velasco (“Sunnydale”) HOPE SF community’s newest development, Block 3 (“Project”).

Block 3 will be a new construction mixed-use development located on the southwest corner of Sunnydale Avenue and Hahn Street in San Francisco’s Visitacion Valley neighborhood. The Project is designed to be a five-story type V wood construction over podium building. The ground floor will include 30,000 square feet of retail and neighborhood services, including this proposed Center. The four stories above will include approximately 168 affordable units ranging from one-bedrooms to four-bedrooms. Of these units, 75% will be replacement housing for current Sunnydale public housing residents and the remaining 25% will be marketed as affordable units to households making up to 60% of area median income. The current plan assumes no parking for the Center’s use. Street improvements on the north side of Block 3 will include an extensive loading/unloading area for drop off/pick up.

The Project is the third phase of the Sunnydale HOPE SF revitalization. Established in 2007, the HOPE SF Initiative seeks to transform four of San Francisco’s most distressed public housing sites into new mixed-income communities. Sunnydale is a 50-acre, 775 public housing unit site located in the western end of San Francisco’s Visitacion Valley neighborhood. Sunnydale’s revitalization goal is to create a vibrant and healthy mixed-income neighborhood in which all residents thrive. It is envisioned that the new development will benefit existing Sunnydale households, bring in new residents of different incomes, allow for new quality programs for youth and families, and create new open spaces and green landscaping. The master plan details the following:

- Up to 1,770 new housing units comprising at least 775 one-for-one replacement of public housing units, 194 tax credit affordable units, and 700 market rate units
- A new 30,000 square foot family- and youth-focused community center with a new state-of-the-art Boys and Girls Club, and an early childhood education center operated by Wu Yee (in addition to the proposed Center)
- A new recreational center at Herz Park, 4.6 acres of open spaces in four blocks, and a linear open space. Two of the open spaces are adjacent to this Project

Construction of Parcel Q and Block 6, the first two phases of the Sunnydale HOPE SF revitalization, are currently underway. Parcel Q, located at the southeast corner of Sunnydale Avenue and Hahn Street, is a 55-unit new construction building that is expected to start lease up by October 2019. Block 6, located just south of the Project, is a 168-unit new construction building that is expected to begin construction by September 2019. The new community center is expected to begin construction at the same time as Block 3, which is January 2022. The Sponsors are also looking into accelerating this project, resulting in a possibly earlier construction start date.

The Sponsors will finance and build out the Center to a “warm shell.” Please see Exhibit A for a description of the improvements that will be included. The Center will be delivered ready to furnish and operate with approximately 6,000 square feet of interior space and 3,000 square feet of contiguous outdoor space. The Service Provider will work with the Sponsors and OECE to determine the desired income mix, number of classrooms, age mix (infants, toddlers, and preschoolers), and associated spaces for staff that is financially feasible.

The Sponsors will not be able to contribute any additional capital resources to the development of the Center other than the hard and soft costs spent to deliver the Center as a warm shell to the Service Provider. The selected Service Provider will be responsible for all remaining project costs beyond the described warm shell, including all tenant improvements (hard costs and soft costs). The Service Provider must also manage and hire all required consultants (architect, engineer, project manager, general contractor, etc.) to complete the design, permitting, and construction of the Center’s tenant improvements. Additionally, the Service Provider will need to seek the necessary license from the State of California to operate the Center as an early childhood education facility and lead any funding applications for tenant improvement development or operating subsidies that may become available through the Low Income Investment Fund, OECE, MOHCD, and/or other agencies/organizations.

The San Francisco Housing Authority selected Related and Mercy to be the master developer for Sunnydale in 2008. Related serves as the lead developer for Block 3. Related is a fully-integrated real estate firm with a 30-year track record of delivering top-quality, mixed-income housing and mixed-use developments across California. The company has completed 16,000 residences and currently has more than 1,300 affordable and 3,500 market rate units in pre-development. Related has a track record of consistently developing communities that exceed industry benchmarks in design, construction, sustainability and property management. Mercy serves as the co-developer for this Project. Mercy is a California-based nonprofit housing development corporation with the mission of creating and strengthening healthy communities through the provision of quality, affordable, service-enriched housing for individuals and families who are economically poor. The organization’s portfolio includes over 9,500 units across California and 3,500 units in development.

SCHEDULE

Block 3 is currently in conceptual design. The goal of selecting a Service Provider at this early stage is to develop the Center in conjunction with the entire building while structural and design decisions are being considered. Block 3 is anticipated to start construction in January 2022 with a 24-month construction period. The Service Provider is expected to begin tenant improvement work shortly after the Sponsors are able to deliver the warm shell (est. January 2024), and thereby, the Service Provider can start serving children as soon as feasibly possible.

PROPOSED LEASE TERMS

Below are the proposed lease terms in exchange for funding and operating a full-day nonprofit early childhood education program serving a to-be-determined number of children:

- Premise. The Service Provider will work with the Sponsor, relevant public agencies, and potential funders to determine the appropriate program; population; income mix; and number of infant, toddler, and preschool spaces for this catchment area and subsequently the size of the classrooms, dedicated outdoor space, and staff facility. Currently, the Sponsors anticipate that the Center will be approximately 6,000 to 10,000 gross square feet.

- **Subsidized Spaces.** The Service Provider must commit to maintaining that at least 50% of its enrollment are children from low to moderate income households based on 110% of HUD's area median income and/or whose households can access subsidized services through a Title 5 contract, subsidy vouchers, or the City-funded Early Learning Scholarship Program. The Service Provider must obtain government and/or private contracts and/or grants sufficient to maintain such enrollment. These percentages can be renegotiated to reflect changes in the neighborhood's demographics.
- **Full Cost Spaces.** The Service Provider will set its Full Cost Space fee schedule and will not charge more than its published rate.
- **Enrollment Preferences.** For both the Subsidy Spaces and Full Cost Spaces, first priority are children whose families reside within the current Sunnydale HOPE SF footprint, second priority are children whose families reside within the 94134 zip code, and third priority are children whose families reside within the City of San Francisco.
- **Term.** 15 years with the option to extend this term for ongoing renewals of 15 year periods
- **Rent.** As low as \$1.00 per year. However, ultimate rent must be dependent on market analysis, the number and percentage of affordability-restricted spaces, and availability of the Service Provider to contribute based on positive cash flow from operations.
- **Personal Property Taxes.** The Service Provider must pay all taxes assessed against and levied upon trade fixtures, furnishings, equipment, and all other personal property owned by the Service Provider.
- **Real Property Taxes.** As a tax-exempt organization, the Service Provider must file an application for a welfare exemption and submit a copy of the completed application to the Sponsors on an annual basis. The Service Provider will be responsible for payment of any assessment attributable to the Service Provider's occupancy.
- **Services and Utilities.** The Service Provider must pay all water, sewer, gas, electricity, telephone, and other utility-type services furnished to the Service Provider or the Center, together with all related installation and connection charges and deposits. The Center will most likely be separately metered or charged, and the Service Provider must contract with and pay directly the provider for gas, electricity, and telephone. The Sponsors will provide water, sewer, and refuse collection, and the Service Provider shall reimburse the Sponsors for all costs incurred by the Service Provider in connection with the provision of such services. The Service Provider must pay for its own janitorial services and any other public services or utilities that are used by the Service Provider on or about the Center.
- **Maintenance.** At the Service Provider's expense, the Sponsors will maintain, repair, and replace all structural elements, basic plumbing, air conditioning, heating, and electrical systems of the Center and keep them in good working condition.
- **Licenses and Permits.** The Service Provider must obtain all licenses and permits required by those public agencies having jurisdiction to operate the Center as an early childhood education facility.
- **Insurance.** During the entire term of the lease, the Service Provider must carry and maintain as its sole cost and expense certain types of insurance in the amounts and form required by relevant public agencies, funders, and the Sponsors.

SERVICE PROVIDER PROGRAM RESPONSIBILITIES

The Sponsors seek a Service Provider that participates in San Francisco's Quality Rating and Improvement System, has a philosophy and program policies aligned with the Program for Infant/Toddler Care and with the California Department of Education's Infant/Toddler Learning & Development Foundations/Curriculum Framework and the California Preschool Learning Foundations/Curriculum Framework. The Center should be inclusive of all learners and children with multiple abilities. The Service Provider shall maintain good standing with California Department of Social Services Community Care Licensing Division regulations, and have no outstanding citations at the time of application. The Service Provider shall be qualified by OECE as an Early Learning Scholarship (ELS) and/or a Preschool For All (PFA) program.

MINIMUM REQUIREMENTS OF THE SERVICE PROVIDER

Respondents must meet the following minimum requirements:

- An Early Learning Scholarship (ELS) and/or a Preschool For All (PFA) participating agency
- A 501(c)(3) nonprofit organization
- Two years of experience providing services in San Francisco through Title 5 contracts/subcontracts, Head Start, Early Head Start, and/or other government-funded subsidies.

Service Providers with demonstrated ability to serve mixed populations of subsidized families and private payers are strongly encouraged to apply.

SUBMITTAL REQUIREMENTS

All responses must include both sections: (1) Philosophy and (2) Implementation.

SECTION 1 – PHILOSOPHY

Page Limit: No more than fifteen (15) pages total excluding the following sections: C, D, G, H, and K.

A. Statement of Philosophy and Mission Statement

Provide a brief statement about your organization's background/history, program philosophy, and mission including the most important goals of an early childhood education program. Detail the salient features of your organization and the conclusions as to the reasons why your organization is most qualified and should be selected.

B. Children's Programming

Describe your overall curriculum philosophy and approach. If a particular curriculum model is subscribed to, name it. See expectations in Service Provider Program Responsibilities above.

C. Qualifications and Experience of Teaching Staff

Detail the educational attainment level and relevant experience of your current teaching staff in the form of a resume or CV for each staff member. If you operate multiple centers, provide information on the center closest in terms of geography and served student population as desired for this Center.

D. Qualifications and Experiences of Directors/Site Supervisors

Detail the educational attainment level and relevant experience of your lead staff in the form of a resume or CV for each director or site supervisor.

E. Program Operation and Staff Patterning

Detail your centers' typical schedule of operation (including hours and days) and the staffing pattern (should reflect all parts of the day) to ensure adequate coverage is maintained (including adult-child ratios and group sizes).

F. Scope of Services

Explain how your organization's program for young children will facilitate strategic planning and program evaluations in areas of quality curriculum, assessments in support of learning objectives for children, screening and identification of children with special needs, risk management, and meeting health and safety standards. Describe what processes, procedures, and tools will be used to ensure high quality early childhood education programming and environments.

G. Handbooks

Provide a copy of your Family Handbook and Staff Handbook.

H. Food and Nutrition

Describe the food and nutrition services provided at your centers.

I. Partnerships

Describe your organization's method of generating family support and involvement in your program. Explain how your organization works with shared governance as it relates to staff, children, parents, etc. Describe how your organization is engaged in partnerships with fellow community-based organizations that support and enhance your programming for young children and their families. Describe how your organization partners with the San Francisco Unified School District to ensure effective enrollment and transition to kindergarten.

J. Marketing, Public Relations, and Fundraising

Describe your proposed strategy and metrics to ensure the enrollment priorities herein will be met. Describe your proposed strategy and metrics to recruit and maintain enrollment and secure subsidies and other funding needed to ensure the requirements for serving a mixed income student population will be met. Describe your organization's methodology for determining tuition and scholarships, including the processes, procedures and tools used to ensure that fees charged are in keeping with the economy and a family's ability to pay.

K. References

Provide three (3) references, including name, address, e-mail address, and telephone number of persons/agencies that can attest to your organization's performance as it relates to high quality child care and early learning services as well as three (3) references of persons/agencies that can attest to your organization's financial stability.

SECTION 2 – IMPLEMENTATION

Page Limit: No more than ten (10) pages total excluding Section B.

A. Facility Development Costs

Describe your organization's experience in creating high quality early childhood education programs. Describe your experience in securing the capital needed for tenant improvements (hard and soft costs) and operating subsidies, if applicable, of your current centers. Propose possible funding sources for this Center and your experience in successfully attaining them in the past. Propose a timeline for the start-up of this Center.

B. Operational Budget

Provide a detailed operating budget, including sources and uses, for at least two active centers most similar in terms of geography and served student population as desired for this Center. Include a narrative, as needed.

1. *Salaries.* Identify all employee's salary costs and benefits
2. *Administrative Costs.* Identify administrative costs, insurance, professional development, substitutes, food costs, marketing expenses, and any other expenses
3. *Income.* Identify all income, including other sources of income predicted as revenue (e.g., food subsidies, fundraising, etc.)

C. Tuition/Fee Proposal

Describe your organization's methodology for providing access to high quality early childhood education services that minimizes cost and maximizes economy and operational effectiveness, include information on your organization's budget planning and account services. Describe your organization's experience working with families of fee-paying and subsidized students. For Full Cost Spaces, describe your method of determining tuition or a fee schedule and what program/services would be included. For Subsidized Spaces, identify information on your existing scholarship, financial aid, and/or any other type of assistances provided to families, including policies and procedures.

SUBMITTAL FORMAT

Submit your organization's proposal including all information requested in this RFQ in a three-ring binder. The submittal should be prepared simply delineating your organization's capabilities to satisfy the requirements of this RFQ. Elaborate bindings, colored displays, and promotional materials are unnecessary. Emphasis should be on completeness and clarity.

SELECTION CRITERIA

The Sponsors and Selection Committee seek organizations that exhibit demonstrated experience in providing the aforementioned services. The Selection Committee will include but not be limited to representatives from Related, Mercy, OECE, and MOHCD. The Sponsors will screen all fully completed submittals. The Selection Committee will select and interview finalists. The Selection Panel will recommend one respondent for contract award from among the finalists based on the following these selection criteria:

- Experience creating and operating in the Bay Area quality mixed-income early childhood education programs that are comparable to the Centers’ desired outcome
- Experience working with a multiracial, multicultural, and multilingual student population, which is reflective of the Sunnydale/Visitacion Valley neighborhood
- Experience securing capital sources for development and tenant improvements of a new early childhood education center
- Experience securing ongoing operating subsidies through the State of California and/or local resources to subsidize low to moderate income students

The Sponsors and the selected Service Provider will execute an agreement, which will detail negotiated fees and agreed upon services.

SELECTION TIMELINE

RFQ Issuance:	Friday, May 31, 2019
RFQ Pre-Submittal Meeting:	12:30 to 2:00 PM on Thursday, June 6, 2019
RFQ Submittal Deadline:	5:00 PM on Friday, June 28, 2019
RFQ Interviews:	July 2019
RFQ Award Notification:	August 2019

PRE-SUBMITTAL MEETING

The Sponsors will hold a pre-submittal meeting on the date and time noted above to introduce this opportunity and answer any questions. Please RSVP or ask to join the prospective respondent list by emailing Thu Nguyen at tnghuyen@related.com. You will receive more information about the pre-submittal meeting as well as the meeting notes if you cannot attend.

SUBMISSION OF SUBMITTALS

Interested organizations should submit seven (7) hard copies and one (1) electronic copy on a USB flash drive of their proposal to the address noted below. Proposals should be clearly titled.

Related California
 Sunnydale Block 3 – Early Childhood Education Center RFQ
 Attn: Thu Nguyen
 44 Montgomery Street, Suite 1300
 San Francisco, CA 19104

ALL RESPONSES MUST BE RECEIVED NO LATER THAN THE STATED DEADLINE. Any responses received afterward will not be considered. No enclosures will be accepted except those requested. Anything additional will be discarded and not considered. Label all responses according to the outline in this RFQ. No oral, telegraphic, electronic, facsimile, or telephone statements will be considered.

Questions or clarifications concerning this RFQ should be directed to Thu Nguyen by email (tnghuyen@related.com). As of the date this RFQ is issued and continuing until the final date for submission, prospective applicants are prohibited from contacting the Sponsors or Selection Panel regarding this RFQ other than the individual specified. Applicants found to be acting in any way contrary to this directive will be automatically disqualified.

GENERAL PROVISIONS

1. **Addenda:** The Sponsors may modify this RFQ or any of its deadline dates prior to the date fixed for the submission by issuance of an addendum.
2. **Withdrawal of RFQ:** A respondent may withdraw its response by submitting an email request by an authorized representative.
3. **Selection, Rejection, and Cancellation:** The Sponsors and Selection Panel have the responsibility of selecting an organization to be awarded and reserves the right to reject any and all submittals. Further, the Sponsors and Selection Panel reserve the right to cancel this RFQ at any time prior to contract award without obligation in any manner for statement preparation, interview, fee negotiation or other marketing costs associated with the RFQ.
4. **Disposition of Submittals:** Submittals become the property of the Sponsors and may not be returned. Information contained therein shall become public documents subject to Public Records Act.
5. **Evaluation:** The Sponsors and/or the Selection Panel may request a Respondent to submit additional information pertinent to the RFQ. The Sponsors and/or the Selection Panel also reserves the right to investigate other available resources in addition to any documents or information submitted by the Respondent.
6. **Hiring and Contracting Goals:** In the selection of all contractors and professional consultants for the Project, the Service Provider must comply with the City's procurement requirements and procedures as described in the Contracting Manual and with the requirements of the Small Business Enterprise Program ("SBE Program") as set forth in the SBE Manual according to the procedures established by the City's Contract Monitoring Division.

EXHIBIT A. Warm Shell Description

Utilities

Gas service	no gas meter
Water Supply	separate water; in floor rough in part of warm shell
Sewer Connection	separate sewer; in floor rough in part of warm shell

Electrical

Service	yes; all distribution in TI phase except hook up of HVAC (below)
Telecom	2" conduit to space from project MPOE

Plumbing

Water heating	water heater to be electric, in TI not warm shell
Distribution Piping	by tenant
Grease Trap	none/by tenant if needed

Fire Protection

Sprinklers	yes; sprinkler changes in TI
Alarm	addressable fire alarm connected to main annunciator panel

Additional Spaces

Dedicated Outdoor Space	dedicated outdoor space is included as part of the warm shell
Parking	all on-site parking will be dedicated for residents; no staff parking
Loading/Center Access	Loading/drop off for the Center will be along Sunnydale Ave