

REQUEST FOR PROPOSALS
FOR
COMMUNITY-ORIENTED RETAIL OR
OFFICE SPACE

Bellarmino Place
San Jose, CA



Dated September 10, 2024

Deadline for Proposals October 8, 2024



1. RFP Summary

The Santa Clara County Housing Authority (“SCCHA”) has developed and currently operates over 2,900 units of affordable housing across 32 developments throughout the County of Santa Clara. SCCHA continues to develop new properties and is issuing this Request for Proposals (“RFP”) for the retail/office space at Bellarmino Place, a 116-unit multifamily development located at 253 Race Street, San José, CA (“Project”). This affordable housing community is under construction and has a retail/office space on the ground floor. Construction is expected to be completed in November 2024 and the retail/office tenant (“Tenant”) could move-in in December 2024.

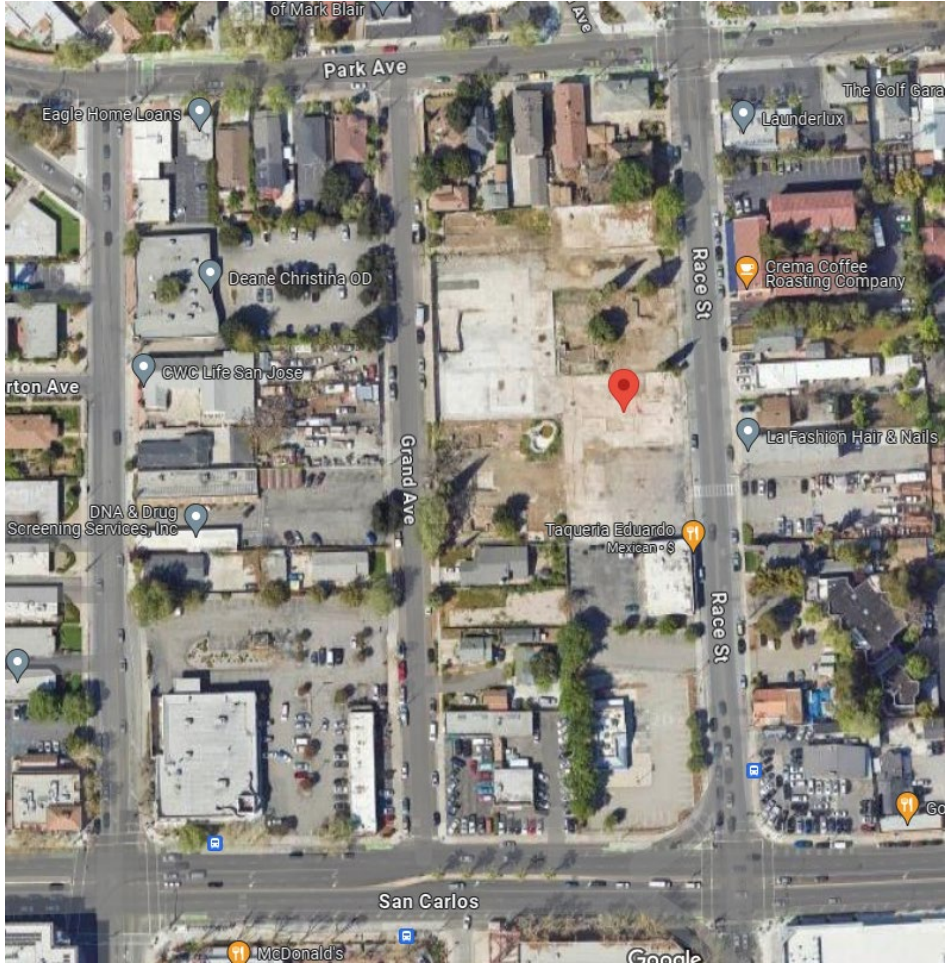
Bellarmino Place’s ground floor space is an opportunity to support a local organization in need of retail/office space as well as being an opportunity to engage with the future Bellarmino Place and Alvarado Park residents. SCCHA intends to rent the space to a community-serving and/or nonprofit organization. The organization will be responsible for building out the space (desks, cubicle walls, tables, chairs, etc.) to meet their own needs and covering electricity, internet, phone, and garbage costs for the space. Water costs will be covered by SCCHA.

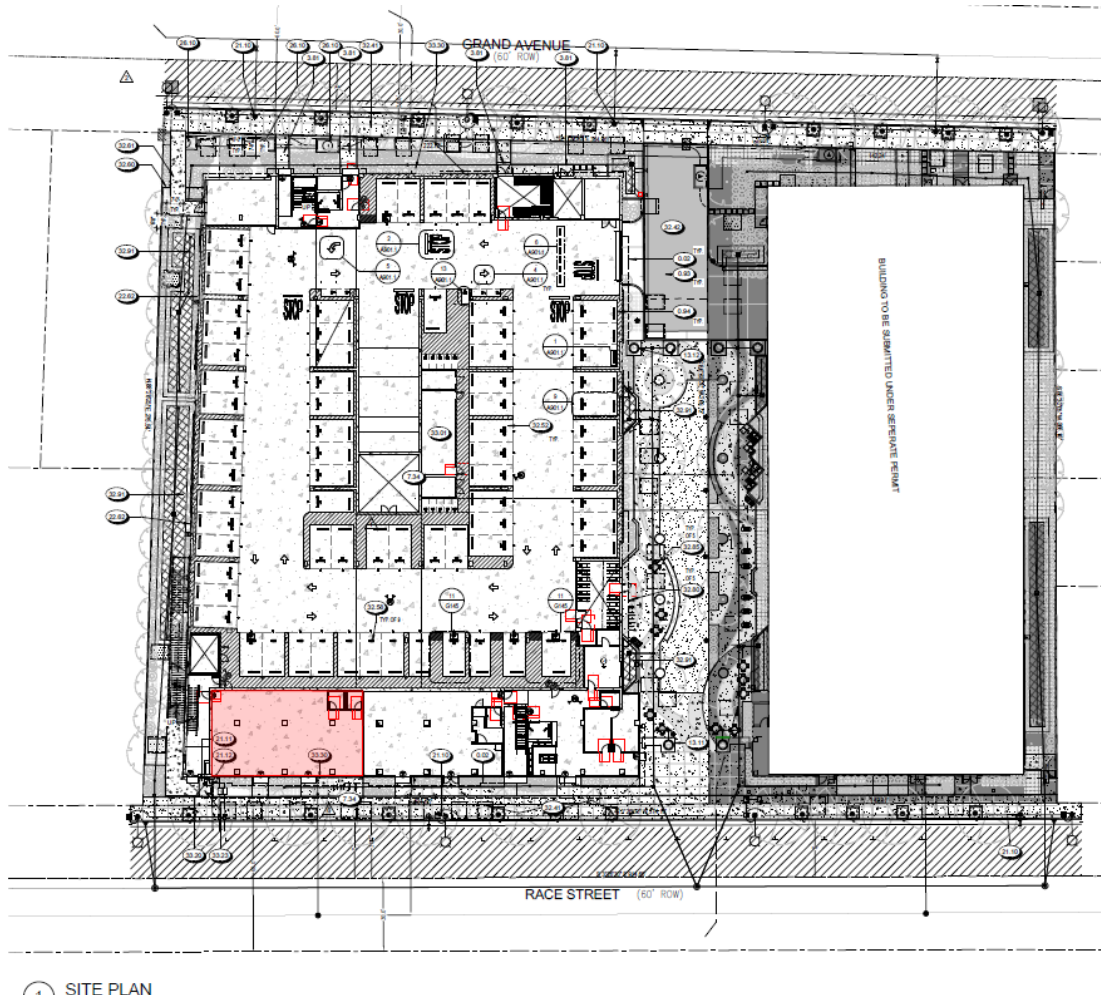
2. Project Summary

Bellarmino Place will serve families and includes 57 1-BR, 29 2-BR and 29 3-BR units. The units will be rented to families with incomes ranging from 30% area median income (“AMI”) to 60% AMI. It is located on Race Street, between Park Avenue and West San Carlos Street, in San José. The building is Type VA wood frame construction over Type I concrete podium construction with mat slab foundation. The building will be six stories with two stories of above-grade podium parking and four stories of residential floors above.

Approximately 2,200 square feet of ground floor commercial or retail space is located on Bellarmino Place along Race Street.

SCCHA is also developing a senior affordable housing project, Alvarado Park, on an adjacent site. Both projects are owned by affiliates of SCCHA. Alvarado Park is moving on a construction schedule one year behind Bellarmino Place.





3. Project Team

- Owner: Bellarmino Place LP, an affiliate of SCCHA
- Architect: Dahlin Group, Inc.
- General Contractor: Roberts Obayashi, Inc.
- Owner Representative: Gilbane
- Property Management: John Stewart Company

4. RFP Schedule

Please refer to the RFP Schedule below. Please submit questions and proposals electronically by email no later than 11:59pm Pacific Time on the dates stated below to both Serena.Li@scchousingauthority.org and Ruchi.Bindal@scchousingauthority.org.

- RFP issued: September 10, 2024
- Deadline for Receipt of Written Questions or Statements of Intent to Submit a Proposal: September 30, 2024
- Deadline for Receipt of Proposals: October 8, 2024
- Selection: October 25, 2024
- Construction Completion: November 2024
- Move-in: December 2024

5. Scope

This RFP seeks to find a community-oriented tenant for the retail/office space located in the Project in San José California, with the following details:

- **Premises:** The commercial space is located on the ground floor of Bellarmino Place Apartments, an affordable housing project, and consists of approximately 2,200 sq. ft. of retail/office space with a storefront on Race Street (collectively, the “Premises”).
 - Parking includes five (5) parking stalls shared with the residential units. It is assumed these parking stalls will be used by employees of the Tenant.
 - There will also be two (2) bicycle spots.
 - The space will be delivered as a warm shell space including (but subject to modification pursuant to the Plans (as defined herein)):
 - Two (2) single occupancy restrooms
 - Kitchenette
 - One (1) private office
 - One (1) conference room
 - HVAC is included
 - No kitchen hood is possible
 - Finished painted walls
 - Installed light fixtures in ceiling
 - Vinyl flooring
- **Term:** The term of the tenancy shall commence no earlier than on the first date that both:
 - Owner has received a temporary certificate of occupancy for the Project; and
 - Owner delivers the Premises to SCCHA pursuant to the drawings prepared by, and the project manual issued by, the Architect (together, the “Plans”). The initial term of the lease will be three (3) to five (5) years, subject to discussion between the Tenant and SCCHA, and as consented in writing by the Owner and Financing Parties pursuant to the Master Lease (as defined herein).

- **Use:** Tenant's use of the Premises shall be:
 - Limited to commercial and retail uses (including, offices, private community gathering facilities, public or quasi-public community gathering spaces; but excluding food and beverages services, daycare centers, public or private elementary and secondary schools, and church/religious assembly uses).
 - In accordance with all building permits, zoning and other laws and regulations applicable to the Premises.
 - In accordance with the Master Lease (as defined herein), including the addendum thereto, selected excerpts and examples from which are attached hereto as Exhibit A, and the "Prohibited Uses" set forth in Exhibit B thereto, a copy of which is attached hereto as Exhibit B, and which are incorporated herein by reference.

- **Rent:** Tenant shall pay to SCCHA rent in an annual amount not to exceed the equivalent of Fifty and No/100 Dollars (\$50.00) per month for the term of the lease, subject to the written consent of the Financing Parties and Owner pursuant to the Master Lease (as defined herein).
- **Utility Costs:** Tenant will cover the costs of electricity garbage, phone, and internet, establish accounts with the providers, and pay such providers directly. SCCHA will cover the cost of water.
- **Furnishings:** SCCHA shall deliver the Premises unfurnished. Tenant shall be solely responsible for the furnishment of the Premises, including any trade fixtures and other personal property.
- **Prohibition Against Encumbrances:** Tenant shall not be permitted to mortgage, encumber or place any liens on their sub-leasehold interest in the Premises.
- **Prohibition Against Alterations:** Tenant shall not (i) alter the Premises in any manner which would increase SCCHA's or Owner's responsibilities for compliance with applicable laws, without prior written approval of Owner, (ii) cause a default under the Financing Documents (as defined in the Master Lease), or (iii) do anything prohibited by the terms of the Master Lease (as defined herein).
- **Indemnity:** The form of lease agreement to be entered into between Tenant and SCCHA shall include indemnification by Tenant of SCCHA from, and including but limited to: (i) any costs, expenses and damages, arising from Tenant's use, operation, or maintenance of the Premises which causes Owner to lose or not qualify for its property tax exemption for the Project, and (ii) any claims or damages arising in connection with the lease agreement or Tenant. ..
- **Form of Lease (Sublease):** The form of lease agreement to be entered into between Tenant and SCCHA shall be a sublease in accordance with the requirements set forth in that certain Commercial Master Lease dated December 1, 2022, between Owner, as landlord, and SCCHA, as tenant (the "Master Lease"), including the addendum thereto, selected excerpts and examples from which are attached hereto as Exhibit A, and the "Prohibited Uses" set forth in Exhibit B thereto, a copy of which is attached hereto as Exhibit B..
- **Substitute Owner:** Tenant acknowledges that upon either the removal or withdrawal of the general partner of the Owner (the "General Partner") pursuant to the terms of the Owner's limited partnership agreement, Owner and Owner's limited partner (the "Limited Partner") shall each have the right to terminate the Master Lease (unless an affiliate of the Owner or the General Partner is admitted as a substitute general partner with the approval of the Limited Partner). Upon such termination, if Tenant is an affiliate of SCCHA, Tenant's sublease shall concurrently terminate, and the Limited Partner shall have the right to (i) cause the Owner to assume any existing subleases with third-party subtenants that are not affiliates of SCCHA as direct leases between Owner and such subtenant, in which event SCCHA shall immediately and unconditionally assign all of its rights, title and interest in such subleases (including any refundable deposits and advance payment of rent) to or as directed by the Limited Partner and require any subtenant to attorn to Owner and pay its rent directly to Owner or (ii) terminate any such subleases, and each sublease shall contain a provision allowing the same.

6. Submission Requirements

The submitted proposal must include the following:

- Signed Cover Letter, which shall designate a primary contact person, address, telephone number, and e-mail address.
- Business Plan for the use of the retail space (including population to be served, benefits to the residents and broader community).
- History/Background of the organization, including operations, and business type.
- Financial Statements.
- A statement certifying that neither the Proposers nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency (if the Proposer is unable to certify to any of the statements in this certification, such participant shall attach an explanation).
- Evidence of ability to meet insurance requirements:
 - **Liability Insurance:** Commercial General Liability (“CGL”) with a limit not less than \$1,000,000 each occurrence and a general aggregate limit of not less than \$2,000,000 providing coverage for bodily injury, property damage, and personal injury through any combination of primary and excess or umbrella liability insurance policies with annual reinstatement of the general aggregate limit at each policy period renewal. The CGL insurance must be written on an ISO occurrence form CG 00 01 04 13 or substitute forms providing equivalent coverage. All excess or umbrella policies shall be follow-form and afford no less coverage than the primary policy.
 - **Workers’ Compensation and Employer’s Liability Insurance:** During this Agreement, Agent shall provide evidence of Workers’ Compensation insurance as required under California statute including coverage for Employer’s Liability with limits of at least \$1,000,000 each accident, \$1,000,000 each employee by disease, and a policy limit of \$1,000,000 by disease.
- **Note:** All insurance policies required hereunder or pursuant to the Master Lease shall name Owner and the Mortgagees identified in the Master Lease as additional insureds/loss payees. *Depending on business function, additional insurance requirements may be required.*

All questions or clarifications, as well as statements of intent to submit a proposal, should be submitted electronically no later than 11:59pm Pacific Time on Monday, September 30, 2024, by email to: Serena.Li@scchousingauthority.org and Ruchi.Bindal@scchousingauthority.org.

Proposals should be submitted electronically no later than 11:59pm Pacific Time on Tuesday, October 8, 2024, by email to: Serena.Li@scchousingauthority.org and Ruchi.Bindal@scchousingauthority.org.

7. Selection Process

When evaluating proposals (each submitted by a “Proposer”), SCCHA staff may consider, but are not limited to, the following criteria:

- Proposer’s program, including relevance to the residents of Alvarado Park and Bellarmino Place, the neighborhood, and the wider local community.
- Capacity and relevant experience of the Proposer.
- Excerpted Terms and Prohibited Uses from Commercial Master Lease (Exhibits A & B)
- Other factors or information deemed relevant by SCCHA staff, such as demonstrated need and, to the extent permitted by law, commitment to serving historically underrepresented communities, groups and/or populations.

EXHIBIT A

Addendum

(Selected Excerpts and Examples)

j) Sublease. There shall be no modification, cancellation, or surrender of any subleases, or prepayment of rent thereunder without the consent of the Financing Parties in accordance with Section 11 of the Lease. If a Mortgagee forecloses on the Premises, or takes an assignment in lieu of foreclosure, all Subtenants shall attorn to such Mortgagee or its assignee unless such Mortgagee has elected to terminate the Lease as provided above.

t) Prohibited Uses. Tenant shall not use or sublease the Premises for any of the following prohibited uses: sexually oriented establishment, liquor store, nightclub, check cashing operation, gun shop, movie theater, bar or lounge except if part of restaurant or if it otherwise sells food, adult bookstore or establishment primarily selling, exhibiting or distributing pornographic or obscene materials, massage parlor (except day spas), funeral parlor, bowling alley, warehouse (other than storage incidental to a retail operation conducted on the same premises or in the basement), unsupervised amusement arcade or game room, off-track betting parlor, body and fender shop, pawn shop, liquor and alcoholic beverages store, or more than two hair and/or nail salons. Prohibited uses shall also include any use that will have an adverse impact on the ability of residential tenants to the peaceful enjoyment of their residence, including but not limited to the following:

1. excess noise;
2. excess light;
3. noxious fumes or smells;
4. excess trash or grime, both within and immediately outside the leased area;
5. excess loitering or adverse sidewalk activities related to their business; and/or
6. hours of operation that vary markedly from the adjacent commercial area.

EXHIBIT B

Prohibited Uses

- (i) the rental to others of residential rental property (as defined in Section 168(e)(2)(A) of the Internal Revenue Code of 1986 (the “Code”);
- (ii) the operation of any private or commercial golf course, country club, massage parlor, hot tub facility or suntan facility, any racetrack or other facility used for gambling, any store the principal business of which is the sale of alcoholic beverages for consumption off premises, or any check cashing store;
- (iii) the development or holding of intangibles for sale or license;
- (iv) farming (within the meaning of Section 2032A(e)(5)(A) or (B) of the Code;
- (v) any type of flea market, amusement or video arcade, pool or billiard hall, night club, discotheque or dance hall;
- (vi) any type of sexually oriented business, adult entertainment or adult bookstore including, but not limited to, any facility selling or displaying adult or pornographic books, literature, videotapes/DVDs or materials in any medium, or any facility providing adult entertainment or other adult services (for purposes of this limitation, materials or activities shall be considered “adult” or “pornographic” if the same are not available for sale or rental to children under the age of eighteen (18) years old because they explicitly deal with or depict human sexuality);
- (vii) escort services, dating services or similar matchmaking or companion services;
- (viii) without limitation of (ii) above, bingo, or similar games of chance;
- (ix) the sale of any firearms, ammunition or weapons, or a shooting gallery of any type;
- (x) the sale of fireworks, except as an incidental part of another primary business;
- (xi) pay day lending activities, pay day advances, pay check advances or similar type of lending activity;
- (xii) pawn shops, pawn brokers, car title lenders (which for purposes of this limitation, will not include auto loans made by a state or federally chartered bank or thrift), or any similar lending activity;
- (xiii) check cashing services, except as an incidental part of another primary business or incident to the banking activities of a state or federally chartered bank or thrift;
- (xiv) debt collection activities, debt consolidation services, credit repair or restoration activities, except as such activities are incidental to banking activities conducted by a state or Federally chartered bank or thrift;

- (xv) bail bond services of any kind, or any activities of a bail bond agent;
- (xvi) the sale, distribution, marketing or production of marijuana, cannabis or any constituent cannabinoids such as THC (this limitation applies broadly, regardless of whether the activity is conducted by collectives, collective caregivers, co-ops, growers or any other entity or organization);
- (xvii) the sale, distribution or manufacture of any type of drug paraphernalia;
- (xviii) tattoo parlors or any establishment that performs tattooing;
- (xix) a bar, restaurant or other establishment serving alcohol; provided, however, that a restaurant or café deriving at least 80% of its income from the sale of food and non-alcoholic beverages is expressly permitted;
- (xx) business based predominately on inbound or outbound telemarketing activities, except as such calls are an incidental part of another primary business;
- (xxi) a video game or amusement arcade;
- (xxii) multi-level marketing activities, the sale of multi-level business opportunities or network marketing activities;
- (xxiii) any manufacturing, distilling, refining, smelting, agricultural or mining operation;
- (xxiv) any dumping, disposing, incineration or reduction of garbage;
- (xxv) any bowling alley or skating rink;
- (xxvi) any mortuary or funeral home;
- (xxvii) any auto repair facility;
- (xxviii) any convenience store;
- (xxix) any on-premises dry cleaner (except that a dry cleaner that performs all dry cleaning off site shall be permitted);
- (xxx) any business which produces environmental hazards regulated under applicable environmental laws;
- (xxxi) any parole, juvenile detention or similar service