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## FREQUENTLY ASKED QUESTIONS

### **GENERAL QUESTIONS**

#### **What is Executive Order N-06-19?**

To address the shortage of housing for Californians, Governor Newsom ordered the Department of General Services (DGS), to collaborate with the Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA) to identify and prioritize excess state-owned property for sustainable, innovative and cost-effective housing developments. Governor Newsom signed the Executive Order on January 15, 2019.

#### **How did the State identify all the properties, or sites in the inventory?**

DGS utilized county assessor data and other records to identify state owned sites. DGS visually reviewed each site for whether state property is underutilized and able to be developed for housing. Sites that were unsuitable for development (ex: beaches, lakes, freeways, forest/mountain sites, etc.) have been excluded from consideration.

#### **How did the Departments determine which sites will be prioritized for development?**

DGS, HCD and CalHFA developed a two-part screening tool designed to help the state prioritize sites for development.

#### **What does the screening tool include?**

The screening tool has two parts — Economic Feasibility and Housing Need (Regional Underproduction) Factors summarized below and at:

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

The Economic Feasibility tool includes 11 factors:

1. Parcel Size
2. Shape
3. Grading
4. Adjacencies
5. Potential for Consolidation
6. Lack of Site Constraint
7. Proximity to Job Centers
8. Proximity to Education
9. Proximity to High-Frequency Public Transit Networks
10. Utilities

## 11. Other Services and Amenities

The Housing Need (Regional Underproduction) tool includes 3 factors:

1. Availability of Affordable Housing in Job and Commute Sheds
2. Gap Between Supply and Demand
3. Rate of Increase in Rent

### **EXCESS SITE MAP QUESTIONS**

#### **Does the Executive Order map include all sites in the state inventory?**

No, the map only includes sites that appear suitable for development and are in excess of state Departments' foreseeable operational needs.

#### **Will any other state sites be added to the map?**

The heat map is dynamic and will be updated as additional state sites are identified.

#### **Does the inventory and map include any other publicly owned parcels?**

No, the inventory and map will only include state owned parcels. DGS, HCD and CalHFA encourage local jurisdictions and other public agencies to identify any excess sites in their own property inventory.

#### **How are housing needs defined in the map?**

Housing needs are defined in the map through three factors: availability of affordable housing in job and commute sheds, the gap between supply and demand, and rate of increase in rent. Areas are scored 0-3 by the number of factors they meet from "Moderate" to "Very High" housing need.

#### **What are opportunity zones and why are they listed on the map?**

Opportunity Zones are an economic development tool. An Opportunity Zone is defined by the Internal Revenue Service as an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. The California Department of Finance designated a total of 879 census tracts across 57 of the state's 58 counties as Opportunity Zones. The Executive Order map includes Opportunity Zones as a layer that can be activated to see whether state owned properties are located within Opportunity Zones.

### **DEVELOPMENT QUESTIONS**

#### **When will the state release Requests for Proposals (RFP) for sites within the inventory?**



*The first RFP will be released by September 30, 2019. The number of RFPs to be released in each round is not yet determined. DGS will share a schedule for the release of subsequent RFPs at a later date.*

**Has the state identified target populations or income level restrictions for the affordable housing developments?**

*The state does not currently identify a target population or income level for these properties. However, the executive order directs the Requests for Proposals (RFPs) to address affordability, which will likely be determined on a site by site basis, depending on factors such as, availability of financing, number of units, market conditions and other factors.*

**Can sites be used for the development of shelters or temporary housing?**

*The Executive Order contemplates permanent housing.*

**What credentials will a developer have to have to meet DGS/HCD qualifications to respond to our RFP?**

*Proposals will be accepted by respondents that are interested in entering low-cost, long-term ground leases and have significant experience developing the type of housing proposed in the RFP. Additional criteria will be specified in the RFP.*

**Is the state simply going to sell those properties that are determined to be viable for housing or is the thought to enter a lease with a housing developer?**

*The Executive Order focuses on entering ground leases. Within affordable housing finance and development, it is a very common approach to have public agencies enter ground leases with developers. The Executive Order also allows the possibility of property exchanges with local governments.*

**What are the general terms of the low-cost, long-term ground leases of parcels?**

*General lease terms will be defined in the RFPs and may differ by site.*

**What is the role of local governments and affordable housing organizations in this process?**

*Housing development is a collaborative effort. The state seeks to partner with local jurisdictions as they are more aware of their local markets, local politics and concerns, successes and failures of recent developments, among other issues. The state also envisions partnership with affordable housing organizations. Affordable housing developers and advocacy organizations offer creativity and experience in building homes that serve resident needs and provide community benefits.*

**Where can I direct questions about the Executive Order and RFPs?**

*Please email inquiries to [AffordableHousing@dgs.ca.gov](mailto:AffordableHousing@dgs.ca.gov)*