

TRANSMITTAL

To:

THE COUNCIL

Date: 10/24/2016

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

Housing Development Bureau
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October 17, 2016

Council File: 12-0049-S5;
12-0049-S11
Council Districts: Citywide
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The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT (HCIDLA) REQUEST FOR APPROVAL TO ISSUE REQUEST FOR QUALIFICATIONS AND PROPOSALS FOR AFFORDABLE HOUSING PROJECTS AND AUTHORITY FOR VARIOUS ACTIONS RELATED TO THE DISPOSITION AND DEVELOPMENT OF CITY-OWNED PROPERTIES

SUMMARY

The Los Angeles Housing + Community Investment Department (HCIDLA) requests approval of the recommendations contained in this report related to the disposition and development of housing assets currently owned by the City of Los Angeles (City) to maximize utilization of 15 parcels of public land for affordable housing. On September 8, 2015 the City Council authorized HCIDLA to release a Request for Qualification & Proposal for the Disposition of City-Owned Properties (RFQ/P), with the Mayor's concurrence on September 17, 2015 (C.F. 12-0049-S5). In May 2016, the City Council approved the authority recommendations that were inadvertently omitted in the initial Housing Committee Report (C.F. 12-0049-S11). HCIDLA released the RFQ/P on April 18, 2016 and received 36 proposals to develop 12 City-owned and one City-optioned sites for affordable housing in July 2016. In a parallel report, HCIDLA recommends the City enter into negotiations with 13 affordable housing developers to develop the sites.

HCIDLA has 15 additional housing assets that consist of: properties transferred to HCIDLA from the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA); properties acquired by HCIDLA or foreclosed upon by HCIDLA, referred to as Real Estate Owned, or REO; and properties managed and controlled by the Los Angeles Department of Transportation (LADOT). Future use of the properties will be as affordable housing, including permanent supportive housing for the homeless and veterans, low-income multifamily housing, and homeownership.

HCIDLA requests for authority to: release a RFQ/P for seven housing assets to select qualified developers to create affordable housing and release a Request for Proposals (RFP) for seven housing assets to select a qualified affordable housing owner/operator. In addition, HCIDLA requests the authority to: amend the existing Memorandum of Understanding (MOU) with the Economic and Workforce Development Department (EWDD) for two housing assets for the provision of economic development opportunities; transfer the property located at 557 Crocker Avenue to the Weingart Center for the Homeless pursuant to Section 7.27 of the City's Administrative Code; and amend contracts with Estolano LeSar Perez Advisors, Inc. and Keyser Marston Associates, Inc. and execute new contracts with consultants on the CAO pre-qualified consultant list.

RECOMMENDATIONS

The General Manager of HCIDLA respectfully requests that:

- I. Your office schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) and forward it to the City Council for review and approval immediately thereafter;
- II. The City Council, subject to the approval of the Mayor, take the following actions:
 - A. Authorize the HCIDLA General Manager, or designee, to release a RFQ/P to select qualified developers for the disposition and development of housing assets owned by HCIDLA and LADOT, described in Attachment A, page 2, to create affordable housing;
 - B. Authorize the HCIDLA General Manager, or designee, to release a RFP, described in Attachment B, to select qualified mission-driven affordable housing providers to own and manage housing assets referred to as Occupied Residential Properties owned by HCIDLA, described in Attachment A, page 3;
 - C. Authorize the HCIDLA General Manager and the General Manager of the EWDD, or their designees, to amend an existing MOU for economic development opportunities related to housing assets owned by HCIDLA, described in Attachment A, page 2;
 - D. Instruct the HCIDLA General Manager, or designee, to report back with recommendations regarding the selection of qualified candidates from the Housing Assets RFQ/P in Recommendation A and the Occupied Residential Properties RFP in Recommendation B;
 - E. Authorize the HCIDLA General Manager, or designee, to negotiate and execute an Exclusive Negotiation Agreement (ENA) with the Weingart Center for the Homeless, a 501(c)(3) non-profit organization, for the transfer of the property located at 557 Crocker Avenue, subject to the approval of the City Attorney as to form;
 - F. Authorize the HCIDLA General Manager, or designee, to request and collaborate with the City Attorney to prepare an ordinance authorizing the transfer of the real property located at 557 Crocker Avenue to the Weingart Center for the Homeless, subject to Council approval;

- G. Authorize the HCIDLA General Manager, or designee, pursuant to Section 7.27 (“Private Sale”) of the City’s Administrative Code, to transfer the property located at 557 Crocker Avenue for its fair reuse value, subject to the conditions placed on the property by HCIDLA for the development of permanent supportive housing for the homeless, without notice of sale or advertisement for bids to the Weingart Center for the Homeless, a 501(c)(3) non-profit organization, and negotiate and execute an Owners Participation Agreement (OPA) with the Weingart Center for the Homeless, subject to the approval of the City Attorney as to form;
- H. Authorize the HCIDLA General Manager, or designee, to amend contracts as authorized in C.F. 12-0049-S11 with Estolano LeSar Perez Advisors, Inc. and Keyser Marston Associates, Inc., to provide technical services to plan, entitle, finance, develop and underwrite these housing assets, subject to review and approval by the City Attorney as to form and compliance with all necessary City, State, and federal requirements;
- I. Authorize the HCIDLA General Manager, or designee, to execute contracts with consultants on the pre-qualified list of consultants selected through a RFQ process administered by the Office of the City Administrative Officer (CAO), described in Attachment C (C.F. 12-1549-S2), to provide technical services to plan, entitle, finance, develop and underwrite these housing assets, as authorized in C.F. 12-0049-S11, subject to review and approval by the City Attorney as to form, and compliance with all necessary City, State, and federal requirements; and
- J. Authorize the HCIDLA General Manager, or designee, to prepare Controller instructions for any necessary technical adjustments consistent with the Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions.

BACKGROUND

As the availability of public funding for affordable housing is currently in a decline, HCIDLA proposed to utilize City-owned land assets as potential sites for affordable housing developments. The HCIDLA proposed a disposition and development plan for these and other vacant housing parcels and divided the housing assets into four strategic disposition categories: 1) Category 1-Select qualified developers through a RFQ/P; 2) Category 2- Execute a MOU with EWDD; 3) Category 3- Sell vacant properties at fair market value; and 4) Category 4-Select mission driven organization through a RFP. HCIDLA was authorized by the Council and Mayor to follow the disposition and development plan outlined in C.F. 12-0049-S5. A summary of the housing assets is provided in Attachment A of this report.

On April 18, 2016, HCIDLA released a RFQ/P to select qualified developers for 13 parcels as indicated in Attachment A, page 1. With the release of the RFQ/P, HCIDLA invited qualified developers to submit a development concept and a summary of the development team’s qualifications with the goal of selecting experienced affordable housing developers to successfully carry out the entire development process from initial community engagement through project design, financing and finished development for 13 properties.

In a parallel report, HCIDLA requests for authority to execute Exclusive Negotiation Agreements (ENA) and/or Disposition and Development Agreements (DDA) with the selected developers. In this report,

HCIDLA requests for authority to 1) release a RFQ/P for seven housing assets to select qualified developers to create affordable housing; 2) release a RFP for seven housing assets to select a qualified affordable housing owner/operator; 3) amend an existing MOU with the EWDD by adding two housing assets for the provision of economic development opportunities; 4) transfer the property located at 557 Crocker Avenue to the Weingart Center for the Homeless pursuant to Section 7.27 of the City's Administrative Code; and 5) amend contracts with Estolano LeSar Perez Advisors, Inc. and Keyser Marston Associates, Inc. and execute contracts with other consultants on the CAO pre-qualified consultant list.

REQUEST FOR QUALIFICATIONS/PROPOSALS #2

Through the RFQ/P process, HCIDLA desires to select qualified, experienced and financially capable developers to further the City's housing goal of providing low-income housing consistent with the City's five-year Transit Oriented Development Consolidated Plan. Specifically, the purpose of the RFQ/P is to select developers that will:

1. Create permanent supportive and affordable housing units and single family homes to address and serve the needs of individuals and/or families earning at or below 30% to 120% of Area Median Income (AMI);
2. Target individuals who are seniors, veterans and/or families that have family members that are veterans;
3. Maintain long-term financial feasibility for the length of the regulatory period and beyond;
4. Facilitate construction and long-term employment opportunities to community residents;
5. Program community services consistent with community needs; and,
6. Improve or maintain the integrity of the neighborhood and build community cohesiveness with good design.

HCIDLA requests authority for the issuance of a RFQ/P for seven vacant or underutilized properties, consisting of five former CRA/LA housing assets and two underutilized parking lots under the management of LADOT, in order to select qualified affordable housing developers. HCIDLA recommends releasing these housing assets as expeditiously as possible to benefit from the market knowledge and development expertise of the affordable housing developers who respond to the RFQ/P. Like the previous RFQ/P, HCIDLA anticipates the proposed RFQ/P selection criteria will promote development partnerships that have the ability to engage community stakeholders, design excellent housing, and develop financing plans that leverage outside resources effectively. RFQ/P selection criteria will have an emphasis on a highly qualified development team, rather than a project. HCIDLA will be asking each developer to submit a brief "Concept Plan" for each housing asset they are interested in developing as part of the RFQ/P responses. The goal of the open and competitive RFQ/P process will allow for HCIDLA to match qualified housing developers to the seven housing assets.

The seven sites are anticipated to be developed into six mixed use and/or affordable housing projects and one child care facility with one unit of affordable housing. HCIDLA does not recommend making any funding commitments to these seven sites at this time. HCIDLA will obtain appraisals for the seven sites when the developer selection is completed. HCIDLA will provide a subsequent report back on the developers selected through the RFQ/P process, including an estimated market value of the sites and a request for authority to execute ENAs and/or DDAs with the qualified developers. All developers approved by the Mayor and Council will be required to submit a detailed preliminary plan for each housing

asset site to HCIDLA. HCIDLA will review all preliminary plans for project feasibility. HCIDLA will enter into the proposed ENAs to ensure that project implementation milestones and financing schedules are established with the qualified developers.

A list of the seven sites in Disposition Category 1, selection of qualified developers through a RFQ/P, is provided in the table below.

**Properties in Disposition Category 1
Selection of Qualified Developers through a RFQ/P #2**

Address	Council District	Housing Asset	Proposed Project
1035 & 1039 S. Berendo Street	1	Former CRA/LA	Affordable Housing
1047 & 1053 S. Mariposa Avenue	1	Former CRA/LA	Affordable Housing
9513 S. Spring Street	8	Former CRA/LA	Community Garden for adjacent Affordable Housing projects
1816 N. Wilton Place	13	Former CRA/LA	Child Care Facility with 1 unit Affordable Housing
4600-4616 W. Washington Blvd.	10	LADOT parking lot	Mixed Use ground floor retail & affordable housing
4601-4615 W. Washington Blvd.	10	LADOT parking lot	Mixed Use ground floor retail & affordable housing
3551 E. 4th Street	14	Former CRA/LA	Affordable Housing

REQUEST FOR PROPOSAL OF OCCUPIED HOUSING

HCIDLA requests authority to issue a RFP for the transfer of seven properties to one or more mission-driven affordable housing providers. A draft RFP is provided in Attachment B of this report. These properties consist of six occupied multifamily properties and one occupied single family property that were foreclosed upon by HCIDLA. All of the properties are in need of rehabilitation. HCIDLA recommends transferring these housing assets with the intention of financing them through a scattered site bond issuance to one or more developers. Responses to the RFP may also include proposals to provide private financing; however the proposals must demonstrate capacity to rehabilitate and manage the portfolio without displacing or creating minimal disruption to the current tenants. HCIDLA will obtain appraisals for the seven properties when the developer selection is completed. HCIDLA will provide a subsequent report back on the mission driven organization(s) selected through the RFP process, including the estimated market value of the properties and a request for authority to enter into agreements with the qualified organization(s) to purchase these properties from the HCIDLA portfolio. A list of the seven sites in Disposition Category 4, selection of mission driven organization(s) through a RFP, is provided in the table below.

**Properties in Disposition Category 4
Selection of Mission Driven Organization through a RFP**

Address	Council District	Housing Asset	Proposed Project
6309-6223 S. 10 th Avenue	8	REO	Rehab of Affordable Housing
6577 S. Arlington Avenue	8	REO	Rehab of Affordable Housing

6503 S. Victoria Avenue	8	REO	Rehab of Affordable Housing
2117-2133 W. 54 th Street	8	REO	Rehab of Affordable Housing
1211 E. 43 rd Street	9	REO	Rehab of Affordable Housing
3507-3513 Stocker Street	10	REO	Rehab of Affordable Housing
819 W. 4 th Street	15	REO	Rehab of Affordable Housing

REQUEST TO AMEND EWDD MOU

HCIDLA recommends entering into a MOU amendment with EWDD for economic development of two sites. Both sites consist of vacant lots at the following locations: 1) 1636 W. Manchester Avenue in Council District 8, which is a former CRA/LA housing asset; and, 2) 9402-9422 S. Broadway (94th & Broadway) in Council District 8, which is a former CRA/LA housing asset. Both sites were determined to be potentially good sites for economic development and are still being evaluated by HCIDLA for the most appropriate use. The MOU amendment with EWDD will allow for HCIDLA to plan for the disposition of the sites for economic development activities. Any agreement to sell the housing assets for economic development will result in a fair market transaction in which the proceeds will be deposited into the Low and Moderate Income Housing Fund. HCIDLA or EWDD will provide a report back on the final disposition of the sites.

REQUEST TO NEGOTIATE & EXECUTE OWNER PARTICIPATION AGREEMENT WITH WEINGART CENTER FOR DEVELOPMENT OF 557 CROCKER

HCIDLA requests the authority to negotiate and execute an Owner Participation Agreement (OPA) with Weingart Center for the Homeless (Weingart Center) and convey the property located at 557 Crocker Avenue to the Weingart Center for the development of permanent supportive housing for the homeless. This property was transferred to HCIDLA as a result of the dissolution of the CRA/LA. The parcel is approximately 5,645 square feet and surrounded on three sides by parcels owned by the Weingart Center. The Weingart Center is currently leasing 557 Crocker as a parking lot for their adjacent Center for the Homeless, an 11-story building where services are provided for the homeless. The Weingart Center plans to develop their parcels into permanent supportive housing for the homeless and if the adjacent HCIDLA parcel is included, the number of units that can be built can be substantially increased.

The Los Angeles Administrative Code Section 7.27 (“Private Sale”) permits sale of City-owned real property without notice of sale or advertisement for bids provided that the City Council determines that the public interest or necessity requires such sale. For the following reasons, HCIDLA believes that the public interest and necessity require the sale of the property to Weingart Center, a 501(c)(3) non-profit organization whose mission is to empower and transform lives by delivering innovative solutions to combat poverty and break the cycle of homelessness, for the full appraised value without notice of sale or advertisement for bids. First, Weingart Center has released a RFP to select development partners and is in the process of finalizing a Joint Development Agreement with the selected development partner. Second, the HCIDLA parcel is too small to accommodate a separate affordable housing project.

HCIDLA seeks approval for a two-step process: 1) approval to enter into a six-month ENA with Weingart Center that allows HCIDLA to negotiate the details of the development project; and 2) approval to execute an OPA with Weingart Center to ensure that HCIDLA controls the performance milestones necessary to move the full development of permanent supportive housing and services forward; executes a residual receipts promissory note for the fair reuse value subject to the conditions placed on the property by HCIDLA for the development of permanent supportive housing for the homeless; and transfers the land

to Weingart Center. HCIDLA will obtain an appraisal for 557 Crocker Avenue prior to the execution of the OPA.

REQUEST TO AMEND & EXECUTE CONSULTANT CONTRACTS

HCIDLA received Council and Mayor approval in September 2015 and May 2016 (C.F. 12-0049-S5; C.F. 12-0049-S11) to negotiate and execute contracts with consultants from the pre-qualified list of consultants selected through a RFQ process administered by the Office of the City Administrative Officer (CAO) (C.F. 12-1549-S2) and \$540,000 was allocated in program income from the Low and Moderate Income Housing Fund for technical services. Refer to Attachment C for the pre-qualified list of consultants indicated in the CAO report dated August 7, 2014, Attachment A.

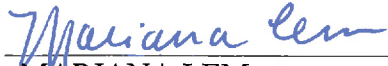
To date, HCIDLA has executed contracts with Estolano LeSar Perez Advisors, Inc. and is currently in process of executing a contract with Keyser Marston Associates, Inc. totaling \$435,000 and is requesting the authority to amend these contracts, as needed. HCIDLA also requests to execute contracts with other consultants on the pre-qualified list of consultants, listed in Attachment C, to provide technical services to plan, entitle, finance, develop and underwrite the housing assets listed in Attachment A. The sum of all executed and future contract compensation is not to exceed \$540,000 from the Low and Moderate Income Housing Fund 55J.

FISCAL IMPACT STATEMENT

The recommendations in this report will authorize HCIDLA to release the Housing Assets RFQ/P and the Occupied Residential Properties RFP for 14 City-owned parcels, enter into MOU amendments with EWDD to utilize City-owned land assets as potential sites for affordable housing and economic development, execute an ENA and OPA to transfer one City-owned property to an adjacent owner, and execute contracts with consultants from the CAO pre-qualified list. There is no impact to the General Fund for these recommendations.

cc: Jan Perry, EWDD General Manager


Prepared by:



MARIANA LEM

Finance Development Officer I

Reviewed by:



MANUEL BERNAL

Director, Housing Strategies & Services

Reviewed by:



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Approved by:



LAURA K. GUGLIELMO

Executive Officer

Approved by:



RUSHMORE D. CERVANTES

General Manager

Attachment A: Properties by Disposition Categories

Attachment B: Draft Occupied Residential Properties Request for Proposal

Attachment C: CAO Report to Establish List of Pre-qualified Consultants

HCIDLA Properties by Disposition Category

#	Housing Asset Type	Property Address	City	Zip Code	Council District	Parcel Size (sq. ft.)	Property Description	# of Units	Disposition Status / Recommendation
Disposition Category 1: Select Qualified Developers through RFQ/P (20 properties)									
<i>RFQ/P #1 Released April 18, 2016 (13 properties)</i>									
1	CRA	5623-5633 Elmer Ave.	North Hollywood	91601	2	21,749	Vacant Lot	n/a	Developer selected in RFQ/P #1
2	HCIDLA Acquired	12568 N. San Fernando Road	Sylmar	91342	7	12,065	Vacant Lot	n/a	Developer selected in RFQ/P #1
3	CRA	13574 W. Foothill Blvd.	Sylmar	91342	7	53,489	Vacant Lot	n/a	Developer selected in RFQ/P #1
4	CRA Owned	3685 S. Vermont Avenue	Los Angeles	90007	8	33,398	Vacant Lot	n/a	Developer selected in RFQ/P #1
5	CRA	6527 S.Crenshaw Blvd.	Los Angeles	90043	8	10,742	Vacant Bldg	n/a	Developer selected in RFQ/P #1
6	CRA	206 E. Washington Blvd	Los Angeles	90011; 90015	9	49,521	Vacant Lot/Bldg	n/a	Developer selected in RFQ/P #1
7	CRA	5215 S Figueroa & 5260 S Figueroa Street	Los Angeles	90037	9	46,322	Vacant Lot	n/a	Developer selected in RFQ/P #1
8	CRA	5888 - 5910 Crocker Street & 5887 - 5879 Crocker Street	Los Angeles	90003	9	36,377	Vacant Lot	n/a	Developer selected in RFQ/P #1
9	CRA	6901, 6905, 6909, 6915 S. Main Street	Los Angeles	90003	9	19,254	Vacant Lot	n/a	Developer selected in RFQ/P #1
10	CRA	2375 W. Washington Blvd	Los Angeles	90018 90019	10	40,964	Vacant Lot	n/a	Developer selected in RFQ/P #1
11	CRA	4314 W. Adams Blvd	Los Angeles	90018	10	15,209	Vacant Lot	n/a	Developer selected in RFQ/P #1
12	CRA	8431 Geyser Avenue	Northridge	91324	12	10,620	Vacant SF Home	1	Developer selected in RFQ/P #1
13	CRA	1637 N. Wilcox Avenue & 6518-6522 Hollywood Blvd.	Los Angeles	90028	13	57,522	Parking Lot 742 & Bldg	n/a	Developer selected in RFQ/P #1

HCIDLA Properties by Disposition Category

#	Housing Asset Type	Property Address	City	Zip Code	Council District	Parcel Size (sq. ft.)	Property Description	# of Units	Disposition Status / Recommendation
<i>RFQ/P #2 To Be Released (7 properties)</i>									
14	CRA	1035 & 1039 S. Berendo St.	Los Angeles	90006	1	11,802	Vacant Lot	n/a	Select Developer through RFQ/P
15	CRA	1047 & 1053 S. Mariposa Ave	Los Angeles	90006	1	11,799	Vacant Lot	n/a	Select Developer through RFQ/P
16	CRA	9513 S. Spring Street	Los Angeles	90003	8	5,010	Vacant Lot	n/a	Select Developer through RFQ/P
17	LADOT	4600-4616 W. Washington Blvd.	Los Angeles	90016	10	9,489	Parking Lot 750	n/a	Select Developer through RFQ/P
18	LADOT	4601-4615 W. Washington Blvd.	Los Angeles	90016	10	24,813	Parking Lot 751	n/a	Select Developer through RFQ/P
19	CRA	1816 N. Wilton Place	Los Angeles	90068	13	7,349	Vacant SF Home	1	Select Developer through RFQ/P
20	CRA	3551 E. 4th Street	Los Angeles	90063	14	6,006	Vacant Duplex	2	Select Developer through RFQ/P
Disposition Category 2: MOU with EWDD (4 properties)									
21	CRA	619, 623, 627, 629 S. Westlake Ave	Los Angeles	90057	1	32,198	Vacant Bldgs, Lots	n/a	MOU executed with EWDD; EWDD to release RFP
22	REO	11681 W. Foothill Blvd.	Sylmar	91342	7	126,902	Vacant Lot	n/a	MOU executed with EWDD; included in CAO RFQ list
23	CRA	601 W. 40th Place	Los Angeles	90037	9	7,838	Vacant Lot	n/a	MOU executed with EWDD; EWDD sale in process
24	CRA	1636 W. Manchester Avenue	Los Angeles	90047	8	19,502	Vacant Lot	n/a	Execute MOU amendment with EWDD
25	CRA	9402-9422 S. Broadway (94th & Broadway)	Los Angeles	90003	8	88,000	Vacant Lot	n/a	Execute MOU amendment with EWDD

HCIDLA Properties by Disposition Category

#	Housing Asset Type	Property Address	City	Zip Code	Council District	Parcel Size (sq. ft.)	Property Description	# of Units	Disposition Status / Recommendation
Disposition Category 3: Sell Vacant Properties at Fair Market Value (1 Property)									
26	CRA	1808 S. St. Andrews Place	Los Angeles	90019	10	8,913	Vacant SF Home	1	Sell at Fair Market Value. Property will be listed on MLS in Spring 2017.
Disposition Category 4: RFP Occupied Residential Properties to Mission Driven Organization (7 properties)									
27	REO	6309-6223 S. 10th Avenue	Los Angeles	90043	8	26,146	Occupied Multi-family Apartments	29	Sell to Mission Driven Organization via RFP.
28	REO	6577 S. Arlington Avenue	Los Angeles	90043	8	4,802	Occupied SF Home	1	Sell to Mission Driven Organization via RFP.
29	REO	6503 S. Victoria Avenue	Los Angeles	90043	8	11,355	Occupied Multi-family Apartments	10	Sell to Mission Driven Organization via RFP.
30	REO	2117-2133 W. 54th Street	Los Angeles	90062	8	20,106	Occupied Multi-family Apartments	22	Sell to Mission Driven Organization via RFP.
31	REO	1211 E. 43rd Street	Los Angeles	90011	9	6,035	Occupied Multi-family Apartments	5	Sell to Mission Driven Organization via RFP.
32	REO	3507-3513 Stocker Street	Los Angeles	90008	10	10,628	Occupied Multi-family Apartments	12	Sell to Mission Driven Organization via RFP.
33	REO	819 W. 4th Street	San Pedro	90731	15	5,906	Occupied Multi-family Apartments	10	Sell to Mission Driven Organization via RFP.

ATTACHMENT B – DRAFT OCCUPIED RESIDENTIAL PROPERTIES REQUEST FOR PROPOSAL



REQUEST FOR PROPOSALS

Housing + Community Investment Department
City of Los Angeles

Issue Date: TBD, 2016
Submission Deadline: TBD, 2016

TABLE OF CONTENTS

I. INTRODUCTION.....	3
II. PRIORITIES AND OBJECTIVES	3
III. RFP SCHEDULE	5
IV. PARCEL INFORMATION	6
V. REAL ESTATE AND OTHER DISCLOSURES	7
VI. PROPOSAL EVALUATION CRITERIA.....	9
VII. PROPOSAL SUBMISSION REQUIREMENTS.....	19
VIII. SELECTION AND NEGOTIATION PROCESS.....	23
EXHIBIT A – Affordable Housing Vision – Single Site	25
EXHIBIT B – Affordable Housing Vision – Scattered Sites.....	26
EXHIBIT C – Checklist And Forms.....	29
EXHIBIT D – Additional Documentation Required.....	33
EXHIBIT E – General RFP Information.....	37
EXHIBIT F – Sample HCIDLA Exclusive Negotiation Agreement.....	48
EXHIBIT G – Permit to Enter to View and Inspect and Release Of Liability	58
EXHIBITS H & I	60

I. INTRODUCTION

In releasing this Request for Proposals (RFP), the goal of the City of Los Angeles (City) is to transfer occupied parcels owned and controlled by the City and available for disposition to qualified mission-driven affordable housing providers. The Los Angeles Housing + Community Investment Department (HCIDLA) is charged with creating viable urban communities by advocating for safe and livable neighborhoods through the promotion, development, and preservation of decent, safe and affordable housing and by expanding economic opportunities, principally for low and moderate-income persons residing in the City of Los Angeles.

HCIDLA proposed a disposition and development plan for these City-owned housing parcels and was authorized by the Council and Mayor to release a RFP to transfer seven properties to one or more qualified mission-driven affordable housing providers. These properties consist of six occupied multifamily properties and one occupied single family property that were foreclosed upon by HCIDLA. All of the properties are in need of rehabilitation.

With the release of this RFP, HCIDLA is inviting qualified mission-driven affordable housing providers (Developers) to own and manage these housing assets. The goal of the RFP is to select qualified Developers who can successfully demonstrate capacity to rehabilitate and manage the portfolio without displacing or creating minimal disruption to the current tenants.

This RFP will identify and select qualified Developer(s) for six parcels that are scattered site eligible and a separate parcel that are listed and detailed in Section IV. Parcel Information.

Additional background information on each parcel is found at
https://drive.google.com/drive/folders/0B_AkqgTQQLJRWE4wZDFFWE9YZk0?usp=sharing

II. PRIORITIES AND OBJECTIVES

Qualified Developers who can demonstrate their ability to rehabilitate, manage and market affordable housing are encouraged to submit proposals. Rental housing is the qualified use for these parcels, as further detailed in the Project Vision Statements developed for each parcel. Developers are encouraged to submit proposals for two types of projects: 1) a scattered site project for six of the seven parcels and 2) a separate project for the parcel located at 1211 43rd Street. If applying for both, please submit two complete proposals.

In addition, proposed development projects should give consideration to the housing priorities listed in the City of Los Angeles Housing Element:

http://planning.lacity.org/HousingInitiatives/HousingElement/Text/HousingElement_2014_0321_HR.pdf

This RFP will prioritize those proposals that: (1) target the types of projects specified in the Project Vision Statements for each parcel; (2) are consistent with the goals and objectives of the Housing Element of the General Plan; and (3) most effectively leverage the City's resources by having the ability to score and compete well in securing the competitive leveraging sources. Private financing is desired, however, HCIDLA intends to provide rehabilitation financing through a scattered site bond issuance to one or more developers. HCIDLA intends to enter into an Exclusive Negotiation Agreement (ENA) and Disposition and Development Agreement (DDA) with the selected Developer(s).

All interested Developers must be registered on the Los Angeles Business Assistance Virtual Network (www.labavn.org) in order to submit proposals for consideration under this RFP. In addition, Developers will be required to upload several completed City forms to this site, as further detailed in Exhibit C, and all updates and other information related to this RFP will be distributed only to registrants of the LABAVN network.

Hard copies of proposals in response to this RFP must be received by HCIDLA TBD at 4:00 p.m. Please see Section VII "Proposal Submission Requirements" for further details. Proposals will not be accepted via the LABAVN network.

All proposals shall be marked "Proposals for the Rehabilitation and Disposition of Occupied City-owned Properties" to the following address:

Los Angeles Housing + Community Investment Department
Proposals for the Rehabilitation and Disposition of Occupied City-owned Properties
1200 West 7th Street, 8th Floor
Los Angeles, CA 90017
Attention: Mariana Lem

All proposals submitted in person shall be dropped off at the Public Counter on the 1st Floor at the above-listed address. The HCIDLA Public Counter is open weekdays from 9:00 a.m. to 4:00 p.m. All proposals submitted by U.S. mail need to be postmarked no later than 11:59 p.m. on TBD. Proposals may be dropped off to HCIDLA staff on TBD, 2016 between 9:00 a.m. to 4:00 p.m. in the main lobby at 1200 W. 7th Street.

III. RFP SCHEDULE

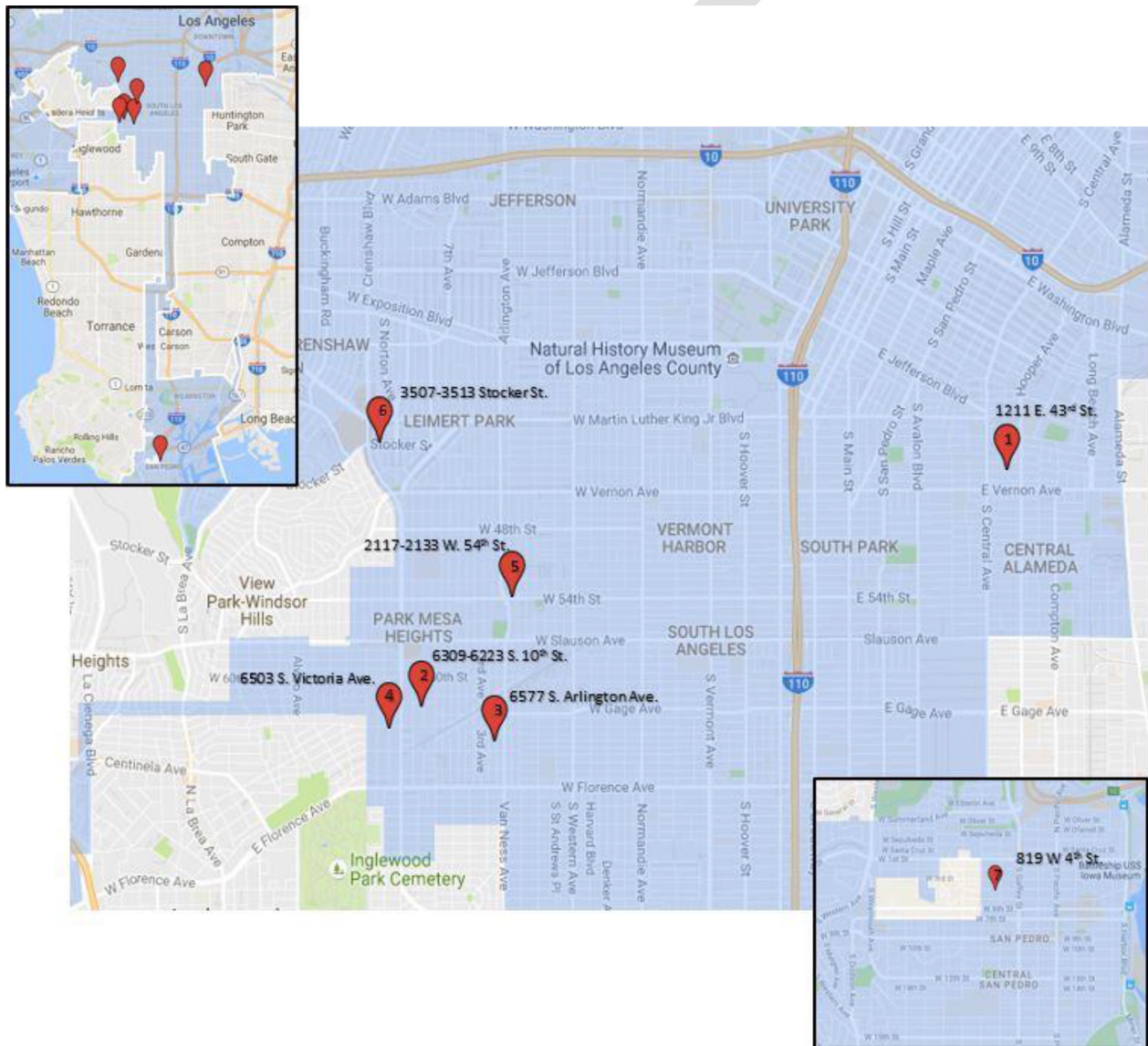
<u>Date</u>	<u>Time</u>	<u>Milestone</u>
TBD	TBD	Issue RFP
TBD	TBD	Bidder's Conference (Attendance is mandatory for all Developers)
TBD	TBD	Site visits
TBD	TBD	Deadline for receipt of Questions, Inquires and Clarifications
TBD	TBD	Responses to questions posted on LABAVN website for all applicants
TBD	TBD	Proposals due
TBD	TBD	Interview presentations to be scheduled
TBD	TBD	HCIDLA to complete review of proposals and make recommendations to Mayor and City Council
TBD	TBD	ENAs are executed
TBD	TBD	DDAs are executed

IV. PARCEL INFORMATION

A total of seven parcels are included in this RFP. Six of the seven parcels are bundled as scattered sites and must be developed together. Each lead developer may submit a total of two proposals: one for scattered sites and one for 1211 E. 43rd Street.

Asset Summary Reports and other information for each parcel is maintained online at: https://drive.google.com/drive/folders/0B_AkqgTQQLJRWE4wZDFFWWE9YZk0?usp=sharing

Map below details the location of each of the seven parcels.



The table below summarizes each of the seven parcels.

#	Property Address	Council District	APN	Parcel Size sq. ft.	Zoning	# Units	Affordability Restrictions	Housing Type
Single Site								
1	1211 E. 43rd Street	9	5115-031-900	6,035	R2-1	5	35-50% AMI	Type B-Small multifamily
Scattered Sites								
2	6309-6223 S. 10th Avenue	8	4006-011-902	26,146	R3-1	29	35-50% AMI	Type A-Large multifamily
3	6577 S. Arlington Avenue	8	4008-002-900	4,802	R1-1	1	N/A	Type C-Single Family Residence
4	6503 S. Victoria Avenue	8	4006-019-901	11,355	R3-1	10	35-50% AMI	Type B-Small multifamily
5	2117-2133 W. 54th Street	8	5005-009-900	20,106	C2-1VL	22	35-50% AMI	Type A-Large multifamily
6	3507-3513 Stocker Street	10	5024-011-900	10,628	R3-1	12	35-50% AMI	Type B-Small multifamily
7	819 W. 4th Street	15	7451-024-900	5,906	RD1.5-1XL	10	N/A	Type B-Small multifamily

V. REAL ESTATE AND OTHER DISCLOSURES

Title information

Property rights and fee title to these parcels are intended to be transferred to the selected Developers at the time of completion ENA and execution of the Disposition and Development Agreement (DDA) and final execution of closing documents.

The City makes no warranty as to the condition of title. Proposers are encouraged to conduct their own due diligence and make their own determinations.

Access

HCIDLA will schedule site visits so that the Developers and members of their teams may access the parcel sites for visual inspections. Because the properties are occupied, access to the units will be limited or not available for visual inspections. All persons entering the properties will be entering at their own risk and must hold the City of Los Angeles harmless by signing a Release of Liability form (Exhibit G).

Land Disposition Terms

The City will require a non-refundable deposit based on the type of project as indicated below:

Desired Project Type	Deposit
Scattered Site	\$150,000
Single Site	\$ 25,000

Upon successful agreement on the terms and execution of the DDA, and subject to the City Council's approval of the transfer of ownership of the parcels based on the necessary findings, the City will transfer ownership to the selected Developer at Fair Market Value. Fair Market Values of the parcels will be determined based upon an appraisal by the City-selected qualified real estate appraiser, in advance of the transfer of ownership under the DDA. The City will provide partial or full seller financing based on the economics of each project.

Land Use and Zoning

Developers submitting proposals should be familiar with zoning restrictions in each parcel area.

Environmental

The selected Developers shall be responsible for meeting all the requirements of the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA), as applicable, including the completion of all environmental assessments to determine project feasibility.

Disposition Timing

Following Developer selection, HCIDLA will make a recommendation to City Council for approval. The selected Developer is expected to work with the City and the local community, as detailed in each parcel's Project Statement, as part of its rehabilitation process. The ENA will enable the City and the selected Developer to finalize the rehabilitation concept of the development, agree on all the terms of sale, and structure any regulatory agreements and deed restrictions before finalizing the transfer of sale and ownership of each parcel. The term of affordability restrictions shall be, at minimum, the term consistent with the requirements of the applicable public funding source utilized for the project; however, in the event the resulting term under the additional funding source requirements is less than the full term consistent with the requirements of the funding previously invested in the property, the longer term shall be applied in the covenant or regulatory agreement. The timeline of the ENA will vary but is expected to be finalized within three (3) months following Developers selection after which the DDA and associated loan and transfer documents will be executed.

Conditions

HCIDLA reserves the right to request additional information from applicants, reject any and all submittals, waive any irregularities in the submittal requirements, or cancel this RFP.

By submitting a proposal, applicants acknowledge and agree to the terms and conditions of this RFP and to the accuracy of the information they submit in response. All submittal packages become the property of the HCIDLA and will not be returned.

All requirements of the disposition protocol apply under this RFP. Please refer to Exhibit E.

The Policies and Procedures of HCIDLA are all incorporated into this RFP by reference.

VI. PROPOSAL EVALUATION CRITERIA

Developer Threshold Requirements

Each proposal will be reviewed according to the Threshold Requirements described below. Proposals that fail to meet the following Threshold Requirements **shall be determined to be ineligible for selection under this RFP.**

A proposal will not be reviewed if the Developer does not pass the Threshold Requirements below:

1. If submitting a proposal for the scattered site properties, the Developer must reimburse HCIDLA \$558,624 for the costs incurred by HCIDLA in the 2014 rehabilitation of 819 W. 4th Street.
2. The proposal must be submitted by the due date: TBD
3. The proposal must include all required information and executed forms as part of the proposal.
4. A representative of the Developer must attend the mandatory Bidder's Conference on-TBD and must sign the sign-in sheet.
5. The Developer must register on the Los Angeles Business Assistance Virtual Network (www.labavn.org) by the proposal due date, TBD.
6. The Developer cannot be currently involved in HCIDLA and/or CRA/LA funded projects, or projects of other public lenders, which are making poor progress towards completion.
7. The total of all development and/or rehabilitation projects under way or in predevelopment already must be achievable under the Developers' existing financial or administrative capacity/experience. The Developer must have the capacity to begin and complete construction in a timely manner.
8. Developer must not be subject to any adverse findings that would prevent the HCIDLA from selling the Property to the Developer or any person or entity associated with the Developer. These include, but are not limited to:

- a) Out-of-compliance with HCIDLA business practices;
- b) Removal or involuntary exit of the Developer, or any of its principals, from an ownership position in any publically-funded residential, commercial or industrial project;
- c) Arson conviction or pending case;
- d) Harassment conviction or pending case;
- e) City, state, federal or private mortgage foreclosure proceedings or arrears;
- f) In remedial foreclosure; sale of tax lien or substantial tax arrears;
- g) Defaults under any federal, state or city-sponsored program;
- h) Federal Debarment - debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from doing business with the Federal Government;
- i) A record of substantial building code violations or litigation against properties owned and/or managed by the Developer or by any entity or individual that comprises the Developer;
- j) Past or pending voluntary or involuntary bankruptcy proceedings;
- k) In litigation with the City of Los Angeles; and
- l) Conviction for fraud, bribery or grand larceny.

Proposals that pass the Threshold Requirements will be evaluated and ranked based on the Developer Qualifications Criteria and Proposal Evaluation Criteria, detailed below.

Proposal Scoring Criteria (100 Total Points)

A maximum of 100 points will be awarded to a Developer and its team based on the following criteria:

Criteria	Points
A. Development Qualifications	25
B. Portfolio Quality	15
C. Financial Capacity	20
D. Compliance with City Agreements	5
E. Property Specific	23
F. Community Benefits	5
G. Clarity of Presentation	7
Total	100

All proposals must include the Cover Letter, Attachments A to F, and the required forms. A Checklist is provided in Exhibit C.

A. Development Team Qualifications (25 points)

A maximum of twenty five (25) points will be awarded to the Developer for clearly outlining the proposed development team, investing in asset management expertise, acquiring and rehabilitating projects and partnering with an experienced general contractor. Complete Exhibit H (Worksheet A) and provide a copy of the completed

worksheet and following information in **Attachment A: Development Team Qualifications** with the relevant sub-attachments.

1. Proposed Development Team Structure (5 points)

The Developer will be awarded a maximum of five (5) points for clearly outlining the development team. Provide the following information in **Attachment A-1: Development Team** with any applicable documentation.

- a) Organizations incorporating the proposed ownership and Developer including:
 - 1) Official name of the organizations
 - 2) Address, names, and titles of the proposer's principals
 - 3) Name and address of the person who is authorized to receive notices, make decisions and represent the proposer
 - 4) Form of the legal entity of the proposed ownership (e.g. individual, limited partnership, nonprofit corporation)
 - 5) Relationship(s) the development organization(s) may have with a parent corporation, subsidiaries, joint ventures or other entities.
- b) Organizational chart indicating the ownership structure and its parties. If the ownership entity and/or Developer will consist of more than one entity, include a detailed description of the roles, responsibilities and authorities of each entity.
- c) Name, title, address, telephone number, email address and resumes for key members of the proposed development team.
- d) Copy of the Articles of Incorporation, partnership, or other business organizational documents (as appropriate) filed with the California Secretary of the State for each entity within the ownership structure, other than the limited partner (if any).
- e) Proof of good standing and authorized to do business in California for each entity within the proposed ownership structure, except for the limited partner (if any).
- f) Secretary of State Corporate Number, a copy of your organization's by-laws, a current list of the Board of Directors, and a Resolution of Executorial Authority with a Signature Specimen.
- g) Each non-profit member of the proposed Development Team must submit a certification from their Board Secretary that details the number of board meetings held within the past year (TBD) and whether a quorum was present at each board meeting.

2. Asset/Property Management Staff Time (5 Points)

The Developer will receive one (1) point for each \$10,000 in annual salaries invested in asset management and/or non-property specific property management staff. Maximum of five (5) points.

Please complete Exhibit H (Worksheet A-2) and provide a copy of the completed worksheet and an organizational chart with the roles, salaries and percentage of time spent in asset and/or property management in **Attachment A-2: Asset/Property Management Staff Time**.

3. Acquisition and Rehabilitation of Rental Housing (10 points)

The Developer will receive one (1) point for each completed acquisition and rehabilitation project in its portfolio if the project meets the following requirements:

- 1) Affordable rental development with a minimum of 10 units
- 2) Subject to a recorded regulatory agreement
- 3) Completed after TBD
- 4) Scope of the contract must have been at least \$20,000 per unit

Please complete Exhibit H (Worksheet A-3) and provide the applicable supporting documentation. This 10 project matrix will serve as the development team's portfolio. In addition, provide a brief description of each project that includes:

- 1) General overview of the scope of the project and the project type
- 2) Affordability requirements
- 3) Financing sources
- 4) Total development cost and cost per unit
- 5) Any unique challenges faced
- 6) Location identity
- 7) Sustainable features
- 8) Project duration
- 9) Completion date
- 10) Pictures of the completed project to highlight architectural design for each project description.

Each project description may not exceed one page. The completed worksheet, project descriptions and any applicable documentation should be included in **Attachment A-3: Acquisition and Rehabilitation of Rental Housing**.

4. General Contractor Experience (5 Points)

The Developer will receive one (1) point for each completed acquisition and rehabilitation project in its portfolio, up to a maximum of five (5) points if the project meets the following requirements:

- 1) Proposed general contractor was also the general contractor of the completed acquisition and rehabilitation project
- 2) Completed after TBD
- 3) Scope of the contract must have been at least \$20,000 per unit.

Please complete Exhibit H (Worksheet A-4) and provide a copy of the completed worksheet and any supporting documentation in **Attachment A-4: General Contract Experience**.

B. Portfolio Quality (15 Points)

The Developer will be awarded a maximum of fifteen (15) points for the demonstrated quality of its portfolio. Select five projects from Exhibit H (Worksheet A-3) to be evaluated for compliance with reserve fund requirements, net operating income, and financial investment in tenant services.

Please complete Exhibit H (Worksheet B) and provide a copy of the completed worksheet in **Attachment B: Portfolio Quality**. In addition, please include the audited financial statements for each of the five projects for fiscal years 2013, 2014, and 2015. Each selected project must include audited financial statements for fiscal years 2013, 2014 and 2015 in order to be eligible for Portfolio Quality Points.

1. Reserves (5 Points)

The Developer will receive one (1) point for each of the five selected development projects with a fully funded reserve account. Maximum of five (5) points. Proof must be documented in the audited financial statements.

Please complete Exhibit H (Worksheet B-1) and provide a copy of the completed worksheet and applicable documentation in **Attachment B-1: Reserves**.

2. Net Operating Income (5 Points)

The Developer will receive one (1) point for each of the five selected development projects that demonstrates an average debt service coverage ratio (DSCR) of 1.15 or better for fiscal years 2013, 2014 and 2015. Maximum of five (5) points. Proof must be documented in the audited financial statements.

Please complete Exhibit H (Worksheet B-2) and provide a copy of the completed worksheet and any applicable documentation in **Attachment B-2: Net Operating Income**.

3. Demonstrated Financial Investment in Tenant Services (5 Points)

The Developer will receive one (1) point for each of the five selected projects that received a financial investment of at least \$400 per unit in tenant services for fiscal years 2013, 2014 and 2015. Maximum of five (5) points. Proof of financial investment must be documented in the audited financial statements.

Please complete Exhibit H (Worksheet B-3) and provide a copy of the completed worksheet and applicable documentation in **Attachment B-3: Financial Investment in Tenant Services**.

C. Financial Capacity (20 points)

The Developer will be awarded a maximum of twenty (20) points for demonstrated financial capacity. Each member of the development team is required to submit audited financial statements for the last three consecutive years. The financial statements for the lead developer will be used to evaluate the organization's annual net revenue, liquidity, available equity, and access to capital.

Please complete Exhibit H (Worksheet C) in **Attachment C: Financial Capacity**.

1. Audited Financial Statements (8 Points)

The Developer will receive a maximum of eight (8) points for submitting audited financial statements for each member of the development team for fiscal years 2013, 2014, and 2015.

Points will be awarded based on the percentage of required audited financial statements submitted. For example, if a development team is comprised of two members, the team needs to submit a total of six audited financial statements. If the lead developer submits audited financial statements for fiscal years 2013, 2014 and 2015 but the co-developer does not submit any audited financial statements, the team submitted 50% of the required information and will receive three out of eight points. No points will be awarded for unaudited financial statements.

Greater than/Equal to	100%	90%	80%	70%	60%	50%	40%	30%
Points Awarded	8 pts	7 pts	6 pts	5 pts	4 pts	3 pts	2 pts	1 pt

For Developers that consolidate limited partnership interests in their audited financial statements, the summary financial information should reflect the 'standalone' financials of the Developer.

Explain any interruptions in stability, extraordinary expenses and material contingent liabilities/relevant financial arrangements whether noted in Notes to Audited Financial Statements or not. Include documentation in **Attachment C-1: Audited Financial Statements**.

2. Increasing Net Operating Income (3 Points)

The Developer will receive a maximum of three (3) points for demonstrated growth in the lead developer's net operating income (NOI). Please complete Exhibit H (Worksheet C-2) and provide a copy in Attachment C-2: Increasing Revenue/Expenses. Points will be awarded as follows:

- a) The Developer will receive one (1) point if the lead developer experienced an increase in NOI from fiscal year 2011 to 2012
- b) The Developer will receive one (1) point if the lead developer experienced an increase in NOI from fiscal year 2012 to 2013
- c) The Developer will receive one (1) point if the lead developer experienced an increase in NOI from fiscal year 2013 to 2014

3. Cash & Cash Equivalents (3 Points)

The Developer will receive a maximum of three (3) points for a favorable liquidity ratio. The liquidity ratio will be calculated using the lead developer's audited financial statements for fiscal years 2013, 2014 and 2015. Please complete Exhibit

H (Worksheet C-3) in **Attachment C-3: Cash & Cash Equivalents**. Points will be awarded as follows:

- Three (3) points will be awarded if Liquidity Ratio is greater than or equal to 1.5
- Two (2) points will be awarded if Liquidity Ratio is greater than or equal to 1 but less than 1.5
- No points will be awarded if Liquidity Ratio is less than 1

4. Debt/Equity (3 Points)

The Developer will receive a maximum of three (3) points for a favorable debt equity ratio. The debt/equity ratio will be calculated using the lead developer's audited financial statements for fiscal years 2013, 2014 and 2015. Please complete Exhibit H (Worksheet C-4) in **Attachment C-4: Consistent Avoidance of an Over-Leveraged Financial Position**. Points will be awarded as follows:

- Three (3) points will be awarded if Debt/Equity Ratio is less than 2
- Two (2) points will be awarded if Debt/Equity Ratio is greater than or equal to 2 but less than or equal to 6
- No points will be awarded if Debt/Equity Ratio is greater than 6

5. Capital Requirements (3 Points)

The Developer will receive three (3) points for demonstrated ability to access capital from an available and undrawn line of credit as follows:

- \$2,350,000 for the scattered sites (includes costs incurred by HCIDLA in the amount of \$558,624)
- \$300,000 for 1211 E. 43rd Street
- \$2,650,000 if the lead developer submits a total of two proposals, one for the scattered sites and one for 1211 E. 43rd Street.

Please submit documentation of a line of credit and available balance and/or a statement indicating unrestricted revenue in the lead developer's audited financial statements signed by the lead developer's Chief Financial Officer or Auditor in **Attachment C-4: Capital Requirements**.

D. Compliance with City Agreements (5 points)

The Developer will receive up to five (5) points for demonstrated compliance with City Agreements.

Please document all projects for each member of the proposed development team that are located in the City of Los Angeles and contain HCIDLA, CRA and/or CDD funding using Exhibit H (Worksheet D). The Development Team must have at least one project located in the City of LA that includes HCIDLA, CRA and/or CDD funding in order to be eligible for any compliance points.

In addition, please include proof of compliance by submitting the appropriate documentation in **Attachment D: Compliance**. Each project will be evaluated based on the following 7-item criteria scale:

- 1) Property taxes are current: Provide a printout from the LA County Property Tax Portal (<https://vcheck.ttc.lacounty.gov/index.php>) that demonstrates property taxes have been paid
- 2) Property insurance indicates HCIDLA as additional insured: Provide a current Acord Certificate of Liability Insurance that indicates HCIDLA or the City of Los Angeles as, "Certificate Holder." Make sure both the project address and name are identified on the Certificate
- 3) Affordability restrictions: Provide a copy of the most recent Urban Futures email indicating, "Final Notice of Compliance 15%"
- 4) Audited financial statements for each project have been submitted to HCIDLA as required: No documentation is necessary
- 5) Rent Stabilization Ordinance (RSO): No documentation is necessary
- 6) Systemic Code Enforcement Program (SCEP): No documentation is necessary
- 7) No rental properties in the Rent Escrow Account Program (REAP): No documentation is necessary

Points will be awarded based on the percentage of the development team's portfolio found to be in compliance as indicated in the table below. For example, if the development team has completed a total of two projects in the City of LA with HCIDLA funding, both projects must be included in Exhibit H (Worksheet D) and will be reviewed for compliance. If both projects are in compliance with six out of seven of the items in the 7-item criteria scale, then the development team's portfolio will be found to be in compliance more than 85% of the time and will be awarded four out of five points.

Greater than/Equal to	90%	80%	70%	60%	50%
Points Awarded	5pts	4pts	3pts	2pts	1pt

E. Property Specific Criteria (23 points)

The Developer will receive a maximum of twenty three (23) points for project specific criteria. Each lead developer may submit a total of two proposals: one for the scattered sites and one for 1211 E. 43rd Street. Each response will be independently evaluated for outlining an effective vision, incorporating a local non-profit and assembling a feasible project pro-forma.

Please submit the applicable documentation as follows in **Attachment E Project Specific Criteria** with the respective sub-attachments:

1. Vision Statement (5 points)

The Developer will receive up to five (5) points for articulating a clear vision for the site(s). The vision statement must demonstrate the development team's understanding of the surrounding neighborhood and its strategy to invest in the community by identifying and incorporating community assets such as local non-

profits, schools, historical buildings, parks and public transportation. The statement must identify how the project will minimize disruption to the current tenants during construction and how the rehabilitation design will integrate with the surrounding neighborhood. Link examples of previous development projects with the proposed project.

Include in **Attachment E-1: Vision Statement**. Maximum of 3 pages.

2. Local Non-Profit Developer (3 points)

If submitting a proposal for the scattered site properties, up to three (3) points will be awarded to a development team that incorporates a non-profit organization and identifies how the organization will contribute to the success of the project.

If submitting a proposal for 1211 E. 43rd Street, up to three (3) points will be awarded to a development team that incorporates a non-profit organization that is headquartered within the South/South East LA Community Planning Area and identifies how the organization will contribute to the success of the project.

Discuss the history, mission and track record of the non-profit and how the organization's strengths will contribute to the success of the project using a maximum of one (1) page. Include the organization's name and address of the headquarters.

Include the response and any applicable documentation in **Attachment E-2: Local Non-Profit Developer**.

3. Project Feasibility (15 Points)

The Developer will receive up to fifteen (15) points for effectively leveraging HCIDLA resources, outlining reasonable operating expenses and outlining reasonable sources and uses.

- a) Levels of Private Investment (6 Points): The Developer will receive one (1) point up to a maximum of six (6) points for each 10% of TDC financed by non-HCIDLA resources above 20% of TDC.
- b) Operating Expenses: The Developer will receive a maximum of four (4) points for reasonable operating expenses and clear operating expense statement. Each expense must be justified to be considered for maximum points.
- c) Sources and Uses: The Developer will receive a maximum of (5) points for clear and reasonable sources and uses. Each expense must be justified to be considered for maximum points. If submitting a proposal for the scattered site properties, the Developer must reimburse HCIDLA \$558,624 for the costs incurred by HCIDLA in the 2014 rehabilitation of 819 W. 4th Street and incorporate the costs in the Pro-forma.

Please complete Exhibit I – Pro-forma Workbook in **Attachment E-3: Project Feasibility**.

F. Community Benefits (5 points)

The Developer will receive up to five (5) points for proposing a Community Benefits Plan that commits to reaching MBW/WBE/Small Business/Emerging Business/Disabled Veterans Businesses minimum targets of 18%/4%/25%/8%/3% respectively. Please describe in a narrative how the Developer will address the City's MBE/WBE/SBE/EBE/DVBE goals and the approach to meeting these targets. In the narrative, include the following:

- a) Developer's track record in addressing the City's goals
- b) Sources of contractors
- c) Developer's plan to meet the minimum targets
- d) Desired outcomes and the name of the individual(s) who is/are accountable for achieving the desired goals

Include the narrative and all supporting documentation in **Attachment F: Community Benefits**. Maximum of 3 pages. Refer to Form P for additional information.

G. Clarity of Presentation (7 points)

The Developer will receive a maximum of two (2) points for the organization and clarity of the written presentation awarded as follows:

- a) Up to one (1) point will be awarded if the proposal includes a total of five binders: one original and four copies each organized with labeled tab dividers
- b) Up to one (1) point will be awarded if the proposal includes a total of five flash drives labeled with both the name of the lead developer and the project ("Scattered Sites" or "1211 E. 43rd St")

The Developer will receive a maximum of five (5) points for the interview and clarity of oral presentation.

VII. PROPOSAL SUBMISSION REQUIREMENTS

Proposal Deadline

All proposals must be received no later than 4:00 p.m. on TBD for hand delivery to public counter at the address listed below.

Los Angeles Housing + Community Investment Department
Proposals for the Rehabilitation & Disposition of Occupied City-owned Properties
1200 W. 7th Street, 1st Floor, Public Counter, Suite #100
Los Angeles, CA 90017
Attention: Mariana Lem

Or U.S. Mail Postmarked No Later Than 11:59 p.m. TBD and mailed to the address listed below.

Los Angeles Housing + Community Investment Department
Proposals for the Rehabilitation & Disposition of Occupied City-owned Properties
1200 West 7th Street, 8th Floor
Los Angeles, CA 90017
Attention: Mariana Lem

Proposal Format: Binders

The Developer should submit one (1) original and four (4) copies in 8 ½ x 11 inch 3-ring binders with labeled tab dividers (total of five 3-ring binders). The original binder should be labeled, "Original" and the copies should be labeled, "Copy 1 of 4, Copy 2 of 4, Copy 3 of 4, and Copy 4 of 4."

Exhibit H and I worksheets must be printed and inserted as the first page of the corresponding attachment or sub-attachment. For example, Exhibit H (Worksheet A) must be completed, printed and inserted as the first document in Attachment A. The cover letter, each attachment, sub-attachment and required forms must be organized with labeled tab dividers.

Proposal Format: Flash Drives

The Developer should submit five (5) digital versions of the proposal on five (5) flash drives in Portable Document Format (.pdf). All documents should be combined into one, 'merged' pdf file that includes bookmarks to the cover letter, Attachments A-F and required forms. Label the flash drives with the name of the lead developer and the project ("Scattered Sites" or "1211 E. 43rd St").

Exhibit H and I must be completed and submitted in the original protected Microsoft Excel file format. Include a total of one merged pdf file and two completed Excel Workbooks on each of the five (5) flash drives.

Respondents need to submit the appropriate number of binders and flash drives as indicated below:

Project Type	Number of Original Binders	Number of Binder Copies	Number of Flash Drives
Scattered Site with 6 properties	1	4	5
Single-site at 1211 E. 43rd Street	1	4	5

At a minimum, the Developer proposals must include the information requested in this section. This is a competitive RFP and proposals will be scored and ranked according to the evaluation criteria set forth by HCIDLA. Incomplete applications will not be considered for evaluation. It is the responsibility of the Developer to ensure completeness of their submittal. We encourage utilization of the Checklist provided in Exhibit C to guide your submission and that your proposal response is organized according to the Checklist.

Cover Letter

All submitted proposals shall include a cover letter. The cover letter shall serve as an executive summary of the major points contained in the proposal and must be signed by a principal or officer authorized to represent and commit on behalf of the Developer. The cover letter can be no more than two (2) single-spaced pages and shall include the name, address, phone number and email address of the Developer's contact person. If there is more than one entity in the Development Team, clearly identify which entity is the "lead" Developer. If a Developer chooses to apply for multiple projects (maximum of two), the Developer should rank the projects in order of priority in the cover letter of each submitted response.

Any award will first be documented through HCIDLA's Exclusive Negotiation Agreement. Please review **Exhibit F: Sample Negotiation Agreement**. Provide a statement in your cover letter similar to the following:

"We _____ (Enter the name of your Firm) have reviewed the HCIDLA Sample Exclusive Negotiation Agreement as specified in this RFP, and accept the provisions as outlined therein."

Executed Forms

All submitted proposals shall include the required forms and disclosures detailed in the checklist provided in Exhibit C. All forms that require signature shall be signed by a principal or officer authorized to represent and commit on behalf of the Developer.

Attachments and executed forms are to be submitted in the order they appear in the checklist in Exhibit C.

Other Proposal Requirements

HCIDLA desires succinct submittals addressing the specific information requested herein. All submittals shall be in the format and order described. In order to ensure that each submittal is reviewed and evaluated properly, it is important that each submittal follow the format with care. The proposal shall address all requirements of this RFP.

All proprietary information shall be identified as such by respondent. All documents submitted to HCIDLA are generally subject to the California Public Records Act, and unless exempt from disclosure, must be made available to members of the public upon request. However, upon specific written request by a respondent, specific documents submitted in response to this RFP may be kept confidential until HCIDLA makes a final determination to proceed with Developer selection by marking the documents "Confidential," "Trade Secret" or "Proprietary." In the event that such exemption is claimed, the proposal must state: "(Name of Developer) shall indemnify the City and hold it and its officers, employees and agents harmless from any claim or liability and defend any action brought against the City for its refusal to disclose copyrighted material, trade secrets or other proprietary information to any person making a request thereof." Failure to include such a statement shall constitute a waiver of the Developer's right to exemption from Disclosure.

At that time, confidential records may be returned to the successful respondent, if so requested. In the event HCIDLA are required to defend an action under the Public Records Act with regard to a request for disclosure of any of the proposal documents marked "Confidential," "Trade Secret" or "Proprietary," the respondent who submitted and so marked such document agrees to defend and indemnify HCIDLA from all costs and expenses of such defense, including reasonable attorney's fees of HCIDLA or attorney's fees awarded by a court arising out of such action.

On-Time Delivery

It is the sole responsibility of the Developer submitting the proposal to see that it is delivered on time. Delays due to internal routing of misdirected proposals shall be the responsibility of the Developer.

Signature

The proposal must be signed in the name of the Developer and must bear the signature of the person authorized to sign proposals on behalf of the Developer.

Completion of Proposals

Proposals shall be completed in all respects as required by the instructions herein. A proposal may be rejected if it is conditional or incomplete, or if it contains alterations of form or other irregularities of any kind. A proposal will be rejected if, in the opinion of HCIDLA, the information contained therein was intended to mislead HCIDLA in the evaluation of the proposal.

Questions, Inquiries and Clarifications

Please refer all questions, inquiries and requests for clarification regarding this RFP in writing to hcidla.cratrtransition@lacity.org. Please identify the RFP title on the subject line of your email message.

For full consideration, all questions, interpretations or clarifications, either administrative or technical must be received by the **HCIDLA on or before** TBD. HCIDLA will not provide answers directly to individuals. All questions and answers will be posted no later than TBD at 5:00 p.m. on the LABAVN.org web site.

Bidders' Conference

A Bidders' Conference has been scheduled to answer questions about this RFP.

TBD
10:00 a.m. to 12:00 p.m.
1200 W. 7th Street, 1st Floor Auditorium
Los Angeles, CA 90017

All attendees need to confirm their attendance by email to hcidla.cratrtransition@lacity.org. At this Conference, the City will review the RFP and respond to questions regarding its requirements. Attendance at the Bidders' Conference is **mandatory** for all Developers or their representatives submitting a proposal. Attendees will be required to sign the sign-in sheet at the Bidders' Conference. If your project is a joint venture, at least one of the joint venture partners will need to attend the Bidders' Conference. A consultant will not qualify as a representative of the joint venture/development team.

The City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities. Please contact the City at least seventy-two (72) hours in advance to request an accommodation.

Developers should review Exhibit D, Additional Documentation Required, to ensure all submission requirements are met.

VIII. SELECTION AND NEGOTIATION PROCESS

All proposals submitted in response to this RFP will be reviewed for their relative strengths and weaknesses based on the submission requirements and evaluation criteria described herein, including consistency with the goals and objectives of this RFP. In addition, proposals will be reviewed for completeness, Developer and team experience, as well as the ability of the respondent to finance, undertake, complete and manage the proposed project.

Upon receipt of proposals, various panels of HCIDLA, City and/or affordable housing industry professionals, will review the proposals and may recommend a short list of development teams to interview. At its discretion, HCIDLA may contact references and industry sources, investigate previous projects and current commitments, interview some or all of the development team members, and take any other information into account in its evaluation of the responses. HCIDLA reserves the right to request clarification or additional information from respondents and to request that development teams make presentations to community groups or others.

If the composition of the development team changes, the Developer will be required to notify HCIDLA of these changes and, at its sole discretion, HCIDLA will determine whether this revised development team meets the requirements of the RFP.

Final Approval Process

Once HCIDLA makes its recommendation, the selected Developer must be approved by the Mayor and City Council of the City of Los Angeles. Upon approval of the Developer, HCIDLA will prepare an Exclusive Negotiation Agreement (ENA) in cooperation with the Developer. A sample ENA is included as **Exhibit F: Sample Exclusive Negotiation Agreement**. HCIDLA may, at its sole discretion, recommend that a Developer/project proceed directly to a Disposition and Development Agreement (DDA).

Managed Pipeline Regulations

All projects will have to comply with all applicable requirements as contained in the Managed Pipeline Regulations, including, but not limited to, the American Disability Act (ADA) and prevailing wage requirements as specified in the most recent Managed Pipeline regulations. A copy of the most recent 2016 Managed Pipeline regulations is available at the HCIDLA website: <http://hcidla.lacity.org/2016-ahrf-pipeline-regulations>. The 2016 Managed Pipeline Regulations were released on August 1, 2016.

List of Exhibits

- Exhibit A – Affordable Housing Vision- Single Site
- Exhibit B – Affordable Housing Vision- Scattered Sites
- Exhibit C – Checklist and Required Documents/Forms
- Exhibit D – Additional Documentation Required

- Exhibit E – General Information
- Exhibit F – Sample of HCIDLA Exclusive Negotiation Agreement
- Exhibit G – Permit to Enter to View and Inspect and Release of Liability
- Exhibit H – Excel Workbook Organized by Attachment/Sub-Attachment
- Exhibit I – Excel Workbook Pro-Forma Template

Other Attachments

Refer to Exhibit C for a list of the forms that must be executed and included in the response to the RFP. Forms A through V will be available on the LABAVN website for downloading.

EXHIBIT A

Affordable Housing Vision- Single Site

Affordable Housing Vision

The City of Los Angeles prefers that this property is rehabilitated with minimal disruption to the current tenants. The City prefers that this property is rehabilitated, managed and maintained by a mission-driven affordable housing provider (Developer) headquartered in South Los Angeles.

1. 1211 E 43rd Street, Los Angeles, CA 90011

Property Description

- Located in Council District 9
- Multifamily Rental Housing
- Occupied – 5 unit building
- Zoning: R2-1



EXHIBIT B

Affordable Housing Vision- Scattered Sites

Affordable Housing Vision

The City of Los Angeles prefers that these six properties are rehabilitated with minimal disruption to the current tenants as part of a scattered sites project. The City prefers that the project is rehabilitated, managed and maintained by a mission-driven affordable housing provider (Developer).

2. 6309-6223 S. 10th Avenue, Los Angeles, CA 90043

Property Description

- Located in Council District 8
- Multifamily Rental Housing
- Occupied - 29 unit building
- Zoning: R3-1
- 100% restricted to low-income households at 35-50% AMI



3. 6577 S. Arlington Avenue, Los Angeles, CA 90043

Property Description

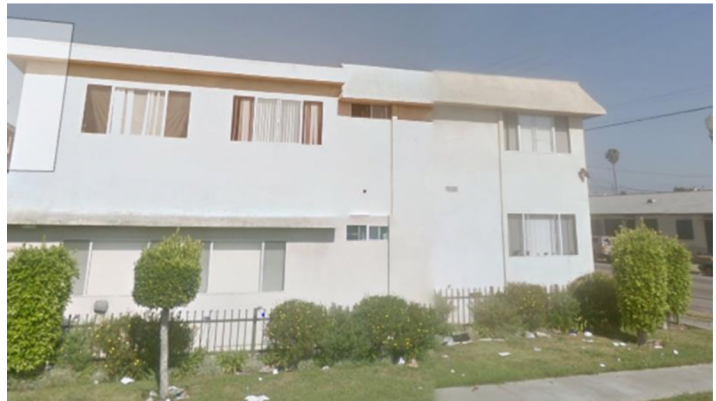
- Located in Council District 8
- Single Family Residence
- Occupied building
- Zoning: R1-1
- Occupied 10 unit building



4. 6503 S. Victoria Avenue, Los Angeles, CA 90043

Property Description

- Located in Council District 8
- Multifamily Rental Housing
- Occupied 10 unit building
- Zoning: R3-1
- 100% restricted to low-income households at 35-50% AMI



5. 2117-2133 W. 54th Street, Los Angeles, CA 90062

Property Description

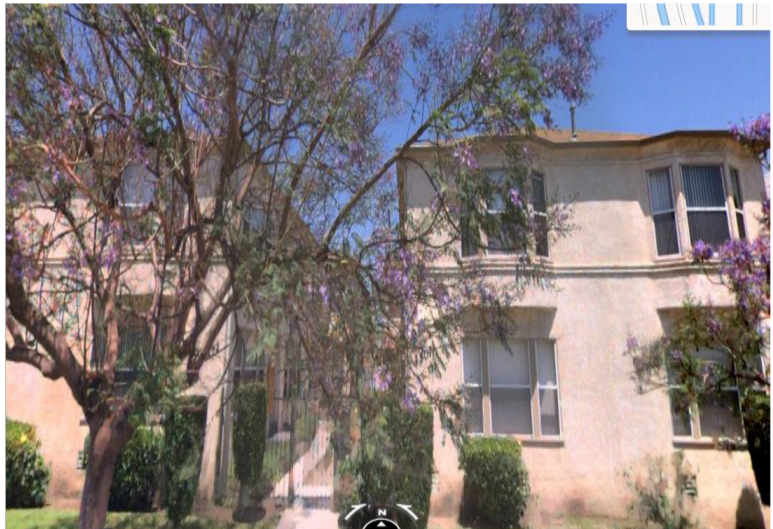
- Located in Council District 8
- Multifamily Rental Housing
- Occupied 22 unit building
- Zoning: C2-1VL
- 100% restricted to low-income households at 35-50% AMI



6. 3507-3513 Stocker Street, Los Angeles, CA 90008

Property Description

- Located in Council District 10
- Multifamily Rental Housing
- Occupied – 12 unit building
- Zoning: R3-1



7. 819 W. 4th Street, Los Angeles, CA 90731

Property Description

- Located in Council District 15
- Multifamily Rental Housing
- Occupied - 10 unit building
- Zoning: RD1.5-1XL



EXHIBIT C **Checklist and Forms**

ATTACHMENTS

Please organize the proposal using the checklist below.

All of the following forms must be executed and included in response to the RFP. A form must be submitted for each entity within the ownership structure, other than the limited partner (if any).

Attachment Name	Required Information	✓
Cover Letter		
	▪ Identified lead developer	
	▪ Lead developer's contact information	
	▪ Priority of proposals (If submitting a proposal for both	
	▪ Acceptance of ENA	
Attachment A: Development Team Qualifications		
	▪ Exhibit H (Worksheet A) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet A) include digital version in Exhibit H Excel Workbook	
A-1: Proposed Development Team Structure	a) Proposed ownership & Developer information stated	
	b) Organizational chart indicating ownership structure & its parties	
	c) Contact list of key members of development team; resumes of key members included	
	d) Articles of incorporation filed with the CA Secretary of State for each entity within ownership structure	
	e) Proof of good standing & authorized to do business in CA for each entity included	
	f) Secretary of State Corporate Number, copy of by-laws, current list of Board of Directors, Resolution of Executorial Authority with a signature specimen included	
	g) For non-profit member of Development team, include a certification from Board Secretary that details the number of board meetings held & whether quorum was present	
A-2: Asset/Property Management Staff Time	▪ Exhibit H (Worksheet A-2) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet A-2) include digital version in Exhibit H Excel Workbook	
	▪ Organizational chart with salaries and percentage of time spent	
A-3: Acquisition and Rehabilitation of Rental Housing	▪ Exhibit H (Worksheet A-3) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet A-3) include digital version in Exhibit H Excel Workbook	
	▪ Project Descriptions (1 page maximum)	

Attachment Name	Required Information	✓
A-4: General Contractor Experience	▪ Exhibit H (Worksheet A-4) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet A-4) include digital version in Exhibit H Excel Workbook	
Attachment B: Portfolio Quality		
	▪ Audited financial statements for each of the five selected projects for fiscal year 2013	
	▪ Audited financial statements for each of the five selected projects for fiscal year 2014	
	▪ Audited financial statements for each of the five selected projects for fiscal year 2015	
B-1: Reserves	▪ Exhibit H (Worksheet B-1) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet B-1) include digital version in Exhibit H Excel Workbook	
B-2: Net Operating Income	▪ Exhibit H (Worksheet B-2) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet B-2) include digital version in Exhibit H Excel Workbook	
B-3: Demonstrated Financial Investment in Tenant Services	▪ Exhibit H (Worksheet B-3) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet B-3) include digital version in Exhibit H Excel Workbook	
Attachment C: Financial Capacity		
	▪ Exhibit H (Worksheet C) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet C) include digital version in Exhibit H Excel Workbook	
C-1: Audited Financial Statements	▪ Audited financial statements for each member of the development team for fiscal year 2013	
	▪ Audited financial statements for each member of the development team for fiscal year 2014	
	▪ Audited financial statements for each member of the development team for fiscal year 2015	
C-2: Increasing Revenue/Expenses	▪ Exhibit H (Worksheet C-2) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet C-2) include digital version in Exhibit H Excel Workbook	
C-3: Cash & Cash Equivalents	▪ Exhibit H (Worksheet C-3) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet C-3) include digital version in Exhibit H Excel Workbook	
C-4: Debt Equity	▪ Exhibit H (Worksheet C-4) include printed version & supporting documentation	
	▪ Exhibit H (Worksheet C-4) include digital version in Exhibit H Excel Workbook	

Attachment Name	Required Information	✓
C-5: Capital Requirements	<ul style="list-style-type: none"> Documentation of a line of credit and available balance and/or a statement indicating unrestricted revenue in the lead developer's audited financial statements 	
Attachment D: Compliance with City Agreements		
	<ul style="list-style-type: none"> Exhibit H (Worksheet D) include printed version & supporting documentation 	
	<ul style="list-style-type: none"> Exhibit H (Worksheet D) include digital version in Exhibit H Excel Workbook 	
	<ul style="list-style-type: none"> a) Printout from the LA County Property Tax Portal that demonstrates property taxes have been paid <u>for each property listed on Exhibit H (Worksheet D)</u> 	
	<ul style="list-style-type: none"> b) Acord Certificate of Liability Insurance that indicates HCIDLA or the City of Los Angeles as, "Certificate Holder" <u>for each property listed on Exhibit H (Worksheet D)</u>. 	
	<ul style="list-style-type: none"> c) Copy of the most recent Urban Futures email indicating, "Final Notice of Compliance 15%" <u>for each property listed on Exhibit H (Worksheet D)</u>. 	
Attachment E: Property Specific Criteria		
E-1: Project Statement	<ul style="list-style-type: none"> Vision statement 	
E-2: Local Non-Profit Developer	<ul style="list-style-type: none"> One (1) page narrative identifying how the organization's history, mission and track record will contribute to the success of the project. Narrative identifies the name of the non-profit organization and the address of the headquarters 	
E-3: Project Feasibility	<ul style="list-style-type: none"> Exhibit I include printed version & supporting documentation Exhibit I include digital version in Exhibit I Excel Workbook 	
Attachment F: Community Benefits		
	<ul style="list-style-type: none"> Narrative includes: <ul style="list-style-type: none"> i. Respondent's track record in addressing the City's goals ii. Sources of contractors Respondent's plan to meet the minimum targets iii. Desired goals iv. Name of the individual accountable for achieving the desired goals 	
Forms (Print and Include in Proposal Binder)		
	<ul style="list-style-type: none"> a) Form A: Proposer Workforce Information and Collusion Affidavit 	
	<ul style="list-style-type: none"> b) Form B: Collaborator Agreements 	
	<ul style="list-style-type: none"> c) Form C: Equal Benefits Compliance 	
	<ul style="list-style-type: none"> d) Form D: Contractor Responsibility Questionnaire 	
	<ul style="list-style-type: none"> e) Form E: Bidder Certification CEC Form 50 	
	<ul style="list-style-type: none"> f) Form F: Prohibited Contributions (Bidders) CEC Form 55 	
	<ul style="list-style-type: none"> g) Form G: Slavery Disclosure Ordinance 	
	<ul style="list-style-type: none"> h) Form H: Non-Discrimination/Equal Employment Practices/Affirmative Action 	

Attachment Name	Required Information	✓
	<ul style="list-style-type: none"> i. Non-discrimination/Equal Employment Practices Certification ii. Affirmative Action Plan 	
	i) Form I: List of Subcontractors	
Forms (Must be Uploaded to LABAVN www.labavn.org)		
	<ul style="list-style-type: none"> ▪ Form C: Equal Benefits Compliance 	
	<ul style="list-style-type: none"> ▪ Form G: Slavery Disclosure Ordinance Form 	
	<ul style="list-style-type: none"> ▪ Form H: Non-Discrimination/Equal Employment Practices/Affirmative Action 	
Organization and Clarity of the Written Presentation		
	<ul style="list-style-type: none"> ▪ Included a total of five (5) Binders: (1) original and (4) copies each organized with dividers and labeled tabs. 	
	<ul style="list-style-type: none"> ▪ The five (5) flash drives are labeled with both the <u>name of the lead developer</u> and the project ("Scattered Sites" or "1211 E. 43rd St") 	
	<ul style="list-style-type: none"> ▪ All worksheets in Exhibit H are completed and included as one workbook on each flash drive 	

THE FOLLOWING FORMS WILL BE REQUIRED IF YOUR PROPOSAL IS SHORT LISTED
Do not submit at this time

FORM	✓
Form J: CA Iran Contracting Act of 2010 Affidavit	
Form K: Living Wage Ordinance and Service Contractor Worker Retention	
Form L: Living Wage Ordinance Exemption	
Form M: Child Care Policy	
Form N: Credit Authorization Form-HCIDLA Credit Authorization Form	
Form O: Form Letter Regarding Davis-Bacon and State Prevailing Wage Requirements	
Form P: Business Inclusion Program / MBE/WBE/OBE Outreach Forms	
Form Q: Child Support Obligations	
Form R: First Source Hiring Ordinance Affidavit	
Form S: Certification Regarding Ineligibility, Suspension, and Debarment (Executive No. 12549)	
Form T: Certification and Disclosure Regarding Lobbying	
Form U: Certificate of Drug Free Workplace	
Form V: Applicant/Borrower Certification Statement for Affordable Housing Trust Fund Program	

EXHIBIT D

Additional Documentation Required

A. Documents Required with this Proposal

1. Secretary of State Documentation

All Developers are required to submit one copy of their Articles of Incorporation, partnership, or other business organizational documents (as appropriate) filed with the Secretary of the State. Organizations must be in good standing and authorized to do business in California. Include in Attachment A.

2. Workforce Information

Developers shall submit with their proposal a statement indicating their headquarters address, as well as the percentage of their workforce residing in the City of Los Angeles (Form A).

3. Collaborator Agreements

Proposals shall include completed forms from each organization intending to formally collaborate with the proposers (Form B).

4. Equal Benefits Ordinance

The Developer shall submit the applicable Equal Benefits Ordinance Compliance Form(s) (Form C).

5. Contractor Responsibility Ordinance (CRO) Questionnaire

All Developers shall submit a completed CRO Questionnaire signed under penalty of perjury (Form D) with their proposal.

6. Municipal Lobbying Ordinance

The Proposer shall submit the applicable Municipal Lobbying Ordinance Compliance Form – Bidder Certification CEC Form 50 (Form E).

7. Municipal Campaign Finance Ordinance CEC Form 55

Bidders must submit a CEC Form 55 to the awarding authority at the time the response is submitted. Additional information regarding these restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or ethics.lacity.org. (Form F)

8. Slavery Disclosure Ordinance

The Developer shall submit the applicable Slavery Disclosure Ordinance Forms (Form G).

9. Nondiscrimination, Equal Employment, and Affirmative Action Program

The Developer shall submit the Nondiscrimination/Equal Employment Practices/Affirmative Action form (Form H).

10. Subcontractors

If a Developer will have subcontractors in the project, a list of the subcontractors must also be submitted with the proposal (Form I).

B. Documents Required with Execution of Exclusive Negotiation Agreement

1. Corporate Documents

All Developers who are organized as a corporation or a limited liability company are required to submit a Secretary of State Corporate Number, a copy of its By-Laws, a current list of its Board of Directors, and a Resolution of Executorial Authority with a Signature Specimen.

2. Proof of IRS Number (W-9)

All Developers are required to complete and submit Proof of IRS Number (W-9) Form.

3. City Business License Number

All Developers are required to submit one copy of their current City of Los Angeles Business License, Tax Registration Certificate or Vendor Registration Number.

To obtain a Business Tax Registration Certificate (BTRC) call the City Clerk's Office at (213) 473-5901 and pay the respective business taxes. The address is as follows: City of Los Angeles, City Hall, Room 101, Office of Finance, Tax and Permit Division, 201 North Main Street, Los Angeles, CA 90012.

4. Insurance Certificates

Developers may be required to maintain insurance at a level to be determined by the City's Risk Manager, with the City named as an additional insured. Developers who do not have the required insurance should include the cost of insurance in their bid. Developers will be required to provide insurance at the time of contract execution.

5. Iran Contracting Act of 2010 Compliance Affidavit

In accordance with California Public Contract Code Sections 2200-2208, all bidders submitting proposals for, entering into, or renewing contracts with the City of Los Angeles for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit" (Form J).

6. Living Wage Ordinance

The Developer shall submit the applicable Living Wage Ordinance Compliance Form(s) (Form K & Form L).

7. Child Care Policy – not required of sole proprietors

It is the policy of the City of Los Angeles to encourage businesses to adopt childcare policies and practices. Consistent with this policy, Developers shall

complete and submit the "Child Care Policy Declaration Statement" with their contract (Form M).

8. Credit Authorization Form

Developers are required to submit a credit authorization form authorizing HCIDLA to conduct a credit check (Form N).

9. Davis-Bacon and State Prevailing Wage Requirements

Developers must submit Form O: Form Letter Regarding Davis-Bacon, which certifies that the Developer will comply with all applicable Davis-Bacon and/or Prevailing Wage Requirements.

10. Business Inclusion Program / MBE/WBE/OBE Outreach Forms

The Developer shall comply with the City's Business Inclusion Program requirements, identify sub-contracting opportunities and outreach to Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Small Business Enterprises (SBE), Emerging Business Enterprises (EBE), Disabled Veteran Business Enterprises (DVBE), and Other Business Enterprises (OBE) sub-consultants. Developers with sub-contractors must perform outreach online 15 days prior to ENA execution contract signing date. Requirements must be completed on the Los Angeles Business Assistance Virtual Network (LABAVN), www.labavn.org. (Form P)

11. Child Support Obligations

Developers shall comply with the Child Support Assignments Orders Ordinance. Refer to Exhibit E, Section O and Form Q for more detail.

12. First Source Hiring Ordinance

Unless approved for an exemption, contractors under contracts primarily for the furnishing of services to or for the City, the value of which is in excess of \$25,000 and a contract term of at least three (3) months, and certain recipients of City Loans or Grants, shall comply with the provisions of Los Angeles Administrative Code Sections 10.44 et seq., First Source Hiring Ordinance (FSHO). Bidders/Proposers shall refer to Form R, "First Source Hiring Ordinance" for further information regarding the requirements of the Ordinance.

13. Certifications

Developers shall provide copies of the following documents to the City:

- a) Certification Regarding Ineligibility, Suspension and Debarment as required by Executive Order 12549 (Form S).
- b) Certification and Disclosure Regarding Lobbying (not required for contracts under \$100,000). Developer shall also file a Disclosure Form at the end of each calendar quarter during which any event requiring disclosure, or which materially affects the accuracy of the information contained in any previously filed Disclosure Form, occurs (Form T).
- c) Certificate Regarding Drug-Free Workplace Act Requirements, if applicable

(Form U).

- d) Applicant/Borrower Certification Statement for the Affordable Housing Trust Fund Program (Form V).

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EXHIBIT E

General RFP Information

A. Costs Incurred by Developer

All costs of proposal preparation shall be borne by the Developer. The City shall not, in any event, be liable for any pre-contractual expenses incurred by Developers in the preparation and/or submission of the proposals. Proposals shall not include any such expenses as part of the proposed budget.

B. Best Offer

The proposal shall include the proposer's best terms and conditions. Submission of the proposal shall constitute a firm and fixed offer to the City that will remain open and valid for a minimum of ninety (90) days from the submission deadline.

C. Accuracy and Completeness

The proposal must set forth accurate and complete information as required in this RFP. Unclear, incomplete, and/or inaccurate documentation may not be considered. Falsification of any information may result in disqualification.

If the Developer knowingly and willfully submits false performance or other data, the City reserves the right to reject that proposal. If it is determined that a contract was awarded as a result of false performance or other data submitted in response to this RFP, the City reserves the right to terminate the contract.

Unnecessarily elaborate or lengthy proposals or other presentations beyond those needed to give a sufficient, clear response to all the RFP requirements are not desired.

D. Withdrawal of Proposals

Proposals may be withdrawn by written request of the authorized signatory on the Developer's letterhead at any time prior to the submission deadline.

E. General City Reservations

The City reserves the right to extend the submission deadline should this be in the interest of the City. Developers have the right to revise their proposals in the event that the deadline is extended.

The City reserves the right to withdraw this RFP at any time without prior notice. The City makes no representation that any contract will be awarded to any Developer responding to the RFP. The City reserves the right to reject any or all submissions.

If an inadequate number of proposals is received or the proposals received are deemed

non-responsive, not qualified or not cost effective, the City may at its sole discretion reissue the RFP or execute a sole-source contract with a Developer.

The City shall review and rate submitted proposals. The Developer may not make any changes or additions after the deadline for receipt of proposals. The City reserves the right to request additional information or documentation, as it deems necessary.

The City reserves the right to verify all information in the proposal. If the information cannot be verified, and if the errors are not willful, the City reserves the right to reduce the rating points awarded.

The City reserves the right to require a pre-award interview and/or site inspection.

The City reserves the right to waive minor defects in the proposal in accordance with the City Charter.

If the selection of the Developer is based in part on the qualifications of specific key individuals named in the proposal, the City must approve in advance any changes in the key individuals or the percentage of time they spend on the project. The City reserves the right to have the Developer replace any project personnel.

The City reserves the right to approve or disapprove the removal and replacement of any Development Team members identified in the Developer's proposal in Attachment A.

F. Contract Negotiations

The Developer approved for the leasehold interest shall be required to negotiate a contract with the City. The best terms and conditions originally offered in the proposal shall bind the negotiations. The City reserves the right to make a contract award contingent upon the satisfactory completion by the Developer of certain special conditions. The contract offer of the City may contain additional terms or terms different from those set forth herein.

As part of the negotiation process, the City reserves the right to:

- Fund all or portions of a Developer's proposal and/or require that one Developer collaborate with another for the provision of specific services, either prior to execution of an agreement or at any point during the life of the agreement;
- Use other sources of funds to fund all or portions of a Developer's proposal; and
- Elect to contract directly with one or more of any identified collaborators; and/or require all collaborators identified in the proposal to become co-signatories to any contract with the City.

G. Standing of Developer

Regardless of the merits of the proposal submitted, a Developer may not be recommended if it has a history of contract non-compliance with the City or any other funding source, poor past or current contract performance with the City or any other funding source, or current disputed or disallowed costs with the City or any other funding source.

Developers/Organizations that have been sanctioned because of non-compliance with Single Audit Act requirements for managing grant funds will be eligible to apply; however, they will not be eligible to receive any funding, if awarded under this RFP process, until this sanction is removed.

The City will enter into an agreement only with entities that are in good standing with the California Secretary of State and the City of Los Angeles.

H. Proprietary Interests of the City

The City reserves the right to retain all submitted proposals which shall then become the property of the City and a matter of public record. Any department or agency of the City has the right to use any or all ideas presented in the proposal without any change or limitation. Selection or rejection of a proposal does not affect these rights. All proposals will be considered public documents, subject to review and inspection by the public at the City's discretion, in accordance with the Public Records Act.

Developers must identify all copyrighted material, trade secrets or other proprietary information claimed to be exempt from disclosure under the California Public Records Act (California Government Code Sections 6250 et seq.) In the event such an exemption is claimed, the proposal must state: "(Name of Developer) shall indemnify the City and hold it and its officers, employees and agents harmless from any claim or liability and defend any action brought against the City for its refusal to disclose copyrighted material, trade secrets or other proprietary information to any person making a request thereof." Failure to include such a statement shall constitute a waiver of the Developer's right to exemption from disclosure.

I. Discount Terms

Proposers agree to offer the City any discount terms that are offered to its best customers for the goods and services to be provided herein, and apply such discount to payments made under this agreement, which meet the discount terms.

J. Contractor Responsibility Ordinance

Every Request for Proposal, Request for Bid, Request for Qualifications or other procurement process is subject to the provisions of the Los Angeles Administrative Code, unless exempt pursuant to the provisions of the Code.

All Developers/Bidders must complete and return, with their response, the responsibility questionnaire included in this RFP (Form D). Failure to return the completed questionnaire may result in the Developer/Bidder being deemed non-responsive.

If a contract is awarded pursuant to this proposal, the Developer must update responses to the questionnaire, within thirty calendar days, after any changes to the responses previously provided if such change would affect Developer's fitness and ability to continue performing the contract.

By executing a contract with the City, the Developer pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. Further, each contractor must: (1) notify the awarding authority within thirty calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor is not in compliance with the Administrative Code; and (2) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the contractor has violated the Code.

K. Equal Benefits Ordinance

Developers are advised that any contract awarded pursuant to this proposal shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance (EBO). Developers shall refer to Form C for further information regarding the requirements of the Ordinance.

All Developers shall complete and return, with their proposal, the Equal Benefits Ordinance Compliance Form (three (3) pages) contained in Form C. The Application for Reasonable Measures Determination (one (1) page) and the Application for Provisional Compliance (two (2) pages) have been included in Form C but should be submitted only if applicable. Unless otherwise specified in this procurement package, Developers do not need to submit supporting documentation with their proposals. However, supporting documentation verifying that the benefits are provided equally shall be required of the Developer that is selected for award of a contract.

The EBO forms included with this RFP are as follows:

- EBO Summary: Questions and Answers (4 pages)
- Instruction for Completing EBO forms (1 page)
- EBO Compliance Form (3 pages)
- Application for Reasonable Measures Determination (1 page)
- Application for Provisional Compliance (2 pages)

L. Living Wage Ordinance/ Service Contractor Worker Retention Ordinance

Unless approved for an exemption, contractors under contracts primarily for the furnishing

of services to or for the City and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months, lessees and licensees of City property, and certain recipients of City financial assistance, shall comply with the provisions of Los Angeles Administrative Code Sections 10.37 et seq., Living Wage Ordinance (LWO) and 10.36 et seq., Service Contractor Worker Retention Ordinance (SCWRO). Developers shall refer to Form K, "Living Wage Ordinance and Service Contractor Worker Retention Ordinance" for further information regarding the requirements of the Ordinances.

Developers who believe that they meet the qualifications for one of the exemptions described in the LWO List of Statutory Exemptions shall apply for exemption from the Ordinance by submitting with their proposal the Contractor Application for Non-Coverage or Exemption. The List of Statutory Exemptions and the Application for Non-Coverage or Exemption are included in the Form L.

The forms included with this RFP are the LWO List of Statutory Exemptions and the LWO Application for Non-coverage or Exemption.

M. Slavery Disclosure Ordinance

Unless otherwise exempt, in accordance with the provisions of the Slavery Disclosure Ordinance, any contract awarded pursuant to this RFP will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code (Form G).

N. Americans with Disabilities Act

Any contract awarded pursuant to this RFP shall be subject to the following:

In implementing this Agreement, Contractor represents and certifies that it will:

- A. Comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments; and California Government Code Section 11135.
- B. Not discriminate in the provision of its programs, services or activities on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability.
- C. Provide reasonable accommodation upon request to ensure equal access to all of its programs, services and activities.

Contractor represents and certifies that any construction for housing performed with funds provided through this Agreement will be done in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 CFR, Part 40.

Contractor represents and certifies that its buildings, and facilities used to provide services in accordance with this Agreement, are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

Contractor understands that the City is relying upon these certifications and representations as a condition to funding this Agreement.

Contractor will require its subcontractors, if any, to include this language in any subcontract.

O. Child Support Assignment Orders

Any contract awarded pursuant to this RFP shall be subject to the following:

This Contract is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, Developer/Consultant certifies that it will (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of Developer/Consultant are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (4) maintain such compliance throughout the term of this Contract. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of Developer/Consultant to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Developer/Consultant to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Developer/Consultant under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Developer/Consultant by City. Any subcontract entered into by the Developer/Consultant relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Developer/Consultant to obtain compliance of its subcontractors shall constitute a default by the Developer/Consultant under the terms of this contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Developer/Consultant by the City.

Developer/Consultant shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Developer/Consultant assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110. (Form Q).

P. Prevailing Wage and Federal Davis Bacon Wages

All selected Developers must abide by applicable labor wages including the Federal Davis-Bacon and/or California's Prevailing Wage and Equal Opportunity standards.

Developers who have a track record of trying to avoid the payment of Davis-Bacon or State Prevailing wages, or who have been referred to the Department of Labor, the Department of Housing and Urban Development, California Labor Commission or any other enforcement agency will be disqualified. Additionally, any project which does not submit construction costs at the applicable Davis-Bacon/Prevailing wage level will also be disqualified. Developers must submit Form O: Form Letter Regarding Davis-Bacon, which certifies that the Developer will comply with all applicable Davis-Bacon and/or Prevailing Wage Requirements.

Q. Equal Opportunity/Affirmative Action Requirements

It is the policy of HCIDLA and City of Los Angeles to provide minority, women and other business enterprises (M/W/OBE's) with the opportunity to compete for and participate in the performance of HCIDLA contracts. Any firm who is awarded a contract will be required to make its best efforts to recruit M/W/OBE's and enhance employment opportunities for minorities, women and others for subcontract opportunities created by any contract. If respondents are successful in obtaining a contract, they will be required to make their best efforts to recruit minority business enterprises or women business enterprises for subcontract opportunities created by any contract(s).

All Proposers shall submit proof of Business Inclusive outreach, documentation of registration and account activation in the Los Angeles Business Assistance Virtual Network (LABAVN) (Website: www.labavn.org) and perform outreach online 15 days prior to contract execution date; if applicable, identify the organization's certification in any of the following categories: Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Other Business Enterprise (OBE), Small Business Enterprise (SBE), Emerging Business Enterprise (EBE) and Disabled Veteran Business Enterprise (DVBE); and perform OUTREACH for sub-contracting opportunities and comply with the City's Business Inclusion Outreach program.

In accordance with HCIDLA's Policies and Goals for Equal Opportunity and Affirmative Action, all respondents (the prime or lead Developer and each proposed subcontractor) are required to complete and upload, the City of Los Angeles Affirmative Action Plan (four (4) pages) available on the City of Los Angeles' Business Assistance Virtual Network (LABAVN) residing at www.labavn.org at the time it registers on LABAVN, but no later than the time when an individual Proposal is submitted. Proposers opting to submit their own Affirmative Action Plan may do so by uploading their Affirmative Action Plan onto the City's LABAVN. Proposers with current OCC approval for their Affirmative Action Plan do not need to re-submit unless the approval is 30 days or less from expiration.

Furthermore, subject subcontractors shall be required to submit the Non-Discrimination/Equal Employment Practices Certification and Affirmative Action Plan to the successful Bidder/Proposer prior to commencing work on the contract. The subcontractors' Non-Discrimination/Equal Employment Practices Certification(s) and Affirmative Action Plan(s) shall be retained by the successful Proposer and shall be made available to the Office of Contract Compliance upon request.

Both the Non-Discrimination/Equal Employment Practices Certification and the City of Los Angeles Affirmative Action Plan Affidavit shall be effective for a period of twelve (12) months from the date it is first uploaded onto the City's LABAVN.

Proposers seeking additional information regarding the requirements of the City's Non-Discrimination Clause, Equal Employment Practices and Affirmative Action Program may visit the Bureau of Contract Administration's website at <http://bca.lacity.org>.

R. Development Policies and Requirements

Labor Requirements for Development

This RFP includes the information on laws that affect development projects. This section highlights requirements related to prevailing wage, which would apply to a project that could develop as a result of this RFP. All Developers considering submittal to this RFP shall also carefully review HCIDLA specific policies and requirements in the Exhibits for consideration and inclusion in your development and financial assumptions.

Local Hiring Program Requirements

Selected Developers must comply with federal Section 3 and the Local Hire Program Requirements (Rev. 7/9/08). Contractors and others engaged in construction and rehabilitation are encouraged to hire and train the maximum feasible number of employees from the community. In addition, the City of Los Angeles want to actively encourage local hire of permanent employees in commercial projects and residential. Local Hire Goals for construction and permanent jobs are typically negotiated on a project-by-project basis.

Sustainable Development

Development Teams are encouraged to comply with the City's Sustainable Building Initiative. This may include use of active and passive energy conservation techniques, use of recycled materials and "green" materials, and use of water conservation techniques including xeriscaping and other conservation methods as may be recommended by relevant agencies. Provision of storage areas for recycling, solid waste management, and incorporation of design features allowing flexibility to use reclaimed gray water are encouraged. The City's Sustainable Building initiative can be found at: <http://eng.lacity.org/projects/sdip/>.

S. Supplemental Information Related to the RFP Process

Contact During RFP

During the period immediately following the deadline to submit proposals and continuing until a recommendation has been submitted to the City Council, respondents are not to contact HCIDLA staff and the City Council on this specific matter. Any such contact may result in the immediate disqualification of any respondent from consideration. All questions or request for clarification or additional information shall be submitted to hcidla.cratransition@lacity.org.

Erasures

The proposal submitted must not contain erasures, interlineations, or other corrections unless each correction is authenticated by signing in the margin, immediately opposition the correction, by the person signing the proposal.

Amendments to the RFP

Any amendments to this RFP shall be effected in writing and issued by HCIDLA. If this RFP is amended, then all terms and conditions which are not modified remain unchanged.

All interested proposers shall acknowledge receipt of any amendment to this solicitation by including a statement in its proposal that it has received the amendment (the amendment number, if any, should be identified).

Restriction on Disclosure of Data

Prospective firms who include data or information in their proposals that they do not want disclose to the public for any purpose or used by HCIDLA except for evaluation purposes, shall:

Mark the title page with the following legend: "This proposal includes data that shall not be disclosed outside HCIDLA and shall not be duplicated, used or disclosed – in whole or part – for any purpose other than to evaluate this proposal, subject to the California Public Record Act. If, however, a contract is awarded to this prospective firm as a result of, or in connection with, the submission of this data, HCIDLA shall have the right to duplicate, use or disclose the data to the extent provided in the resulting contract. This restriction does not limit HCIDLA right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets (insert numbers or other identification of sheets)"

Mark each sheet of data Developer wishes to restrict with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal."

Proposal Preparation Expenses

HCIDLA will not in any event be liable for any pre-contractual expenses incurred by the prospective firm. The prospective firm shall not include any such expenses as a part of the price proposed in response to this RFP. Pre-contractual expenses are defined as expenses incurred by the prospective firm in (1) preparing the proposal in response to this RFP; (2) submitting and delivering the proposal to HCIDLA; (3) discussing and/or

negotiating with HCIDLA on any matter related to this RFP; or (4) any other expenses incurred by the prospective offeror prior to the date of award, if any, of a proposed contract.

Modification or Withdrawal of Developer's Proposal

Proposal may be modified after its submission by written notice to HCIDLA of withdrawal and resubmission before the date and time specified for receipt of proposals. Modifications will not be considered if offered in any other manner.

Proposals may be withdrawn by submitting a written request to HCIDLA at any time. The firm may thereafter submit a new proposal before the proposal submission date. Proposals may not be re-submitted after the proposal submission date.

Misunderstandings

The RFP documents will be clarified by HCIDLA upon written request from the proposing firm. HCIDLA decision shall be final in any matter of interpretation of the documents.

Late Proposals

It is the responsibility of each proposer responding to this solicitation to ensure that its proposal is received by HCIDLA prior to the time specified in this RFP. Any proposal received by HCIDLA after the exact time specified for receipt is "late" and shall be date and time stamped and not considered for award, unless it is received before award is made to another entity and it:

- Was sent by registered or certified mail and postmarked no later than the 5th calendar day before the date specified for receipt of proposals; or
- Was sent by mail or messenger, and it is determined by the RFP Manager that the late receipt was due solely to mishandling by HCIDLA after receipt by HCIDLA; or
- Is the only proposal received.

Right to Reject all Proposals

This RFP is not a contract offer, a request for technical services or an agreement to construct any project that may be proposed or otherwise submitted and does not commit HCIDLA to enter into any exclusive negotiating agreement, disposition and development agreement, ground lease, or any other agreement, or to accept any part of any proposal, including, without limitation, a selected proposal, or to pay any costs incurred in submission of any proposal. Should this process result in an Exclusive Negotiating Agreement, the execution of such agreement does not constitute a contract, agreement or promise that such agreement will lead to a Disposition and Development Agreement or Ground Lease, or that HCIDLA will agree to build or have built any proposed project.

Protest and Appeal Process

HCIDLA will adhere to its Protest and Appeal Policy outlined below.

1. Appeal Rights

The City will notify all proposers of the results of the proposal evaluations and of their right to file an appeal. Proposers may appeal procedural issues only, not the final scores.

2. Letter of Appeals

Appeals shall be emailed to HCIDLA at hcidla.cratransition@lacity.org no later than five (5) business days of receiving notification of the results of the RFP. Proposers may file an appeal by submitting a written request and identifying the specific reason for the appeal to:

Helmi Hisserich, Assistant General Manager
Los Angeles Housing + Community Investment Department
RFP Appeal – Disposition of City-owned Properties
1200 W. 7th Street, 8th Floor
Los Angeles, CA 90017

Written appeals may not be more than two (2) typewritten pages and shall request an appeals review be granted. Written appeals must include the following information:

- a. The name, address and telephone number of the proposer.
- b. The name/title of RFP to which the organization responded.
- c. Detailed statement of the grounds for appeal.

Written appeals may not include any new or additional information that was not submitted with the original proposal. Only one appeal per proposal will be permitted. All appeals and protests must be submitted within the time limits set forth in the above paragraphs.

3. Review Panel

A panel composed of selected staff will review the appeal for this RFP. The decision of the panel will be HCIDLA's final recommendation.

4. Disclaimer

The City is not responsible for representations made by any of its officers or employees prior to the approval of an agreement by the Los Angeles City Council unless such understanding or representation is included in this RFP or in subsequent written addenda. The City is responsible only for that which is expressly stated in this solicitation document and any authorized written addenda.

EXHIBIT F

Sample HCIDLA Exclusive Negotiation Agreement

Exclusive Negotiation Agreement

This AGREEMENT is made as of the Effective Date (defined in Section 14 below) by and between _____ (DEVELOPER) and the Los Angeles Housing and Community Investment Department (HCIDLA).

RECITALS

- A. The City of Los Angeles currently owns the property consisting of _____ (__) parcels located near the intersection of _____ and _____ in the City of Los Angeles, as more particularly described on the legal description attached hereto as Exhibit "A" ("Site") consisting of Parcel _____, at address _____, Assessor Parcel Number: _____, containing approximately _____ square feet and Parcel _____, at address _____, Assessor Parcel Number: _____, containing approximately _____ square feet. Parcel _____, at address _____, Assessor Parcel Number: _____, containing approximately _____ square feet.
- B. In response to a Request for Qualifications and Proposals (RFQ) issued by HCIDLA, the DEVELOPER has submitted qualifications for a development project ("Project") at this Site (DEVELOPER's Proposal).
- C. The qualifications submitted by DEVELOPER best support the type of affordable housing development conceptually envisioned by the City of Los Angeles.
- D. On _____, 2016 the Los Angeles City Council approved (Council File: _____) the selection of the DEVELOPER for the purpose of creating, in conjunction with City and community stakeholders, a full development plan for the project leading to negotiating the terms of a Development and Disposition Agreement ("DDA") and/or ground lease ("Ground Lease") pertaining to the Site under a 360 day Exclusive Negotiation Agreement ("Agreement").
- E. Together, HCIDLA and the DEVELOPER (collectively referred to as "Parties", or if referred to in the singular form "Party") desire to negotiate exclusively for the development of the Project at the Site.

The Parties agree to negotiate exclusively and in good faith to enter into a DDA and/or a Ground Lease upon the following terms and conditions.

1. Agreement to Negotiate Exclusively: Good Faith Negotiations

HCIDLA agrees that, after competitive bidding and selection process outlined above, during the Negotiation Period (as defined in Section 2 below) and provided that DEVELOPER is not in default of its obligations under this Agreement (subject to

reasonable notice and opportunity to cure such default), HCIDLA shall negotiate exclusively and in good faith with DEVELOPER, with respect to a DDA and/or Ground Lease to be entered into between HCIDLA and DEVELOPER concerning the rights and obligations of each respective Party concerning the development of the Site. During the negotiation period, HCIDLA shall not solicit or entertain offers or proposals from other third parties concerning the Site. DEVELOPER acknowledges, however, that HCIDLA may, from time to time, be contacted by other developers respecting the Site and that such contact is expressly permitted so long as HCIDLA initiates or furthers the contact and HCIDLA indicates to such other developers that HCIDLA has executed this Agreement with DEVELOPER and that HCIDLA is unable to: (1) discuss anything concerning the Project; (2) discuss anything concerning these negotiations; (3) entertain any other offer or proposals; or (4) negotiate with any other developer until this Agreement expires or is terminated, as provided in Section 2 below.

The Parties agree, in consideration of this Agreement, to negotiate in good faith with each other with respect to the terms and conditions as set forth in the RFQ and the proposed project to be included in the DDA and/or Ground Lease and to cooperate in the preparation thereof. The Parties shall provide each other with any information regarding the Site or Project that may be reasonably requested by any other Party.

2. Period of Negotiation

The Parties agree to negotiate in good faith for a period of 360 days from the Effective Date, as defined in Section 14 hereof (the "Negotiation Period"). If the Parties have not agreed upon the form of a draft DDA and/or the Ground Lease to be delivered to The City Council and Mayor by such date, then this Agreement shall automatically terminate provided, however, that if prior to the expiration of the Negotiation Period, the Parties have not agreed upon the form of a draft DDA and/or Ground Lease satisfactory to the Parties to be delivered to The City Council and Mayor, then the Parties may mutually agree to extend the term of this Agreement for an additional period of up to 90 days. If the Parties cannot agree upon such an extension, this Agreement shall automatically terminate.

The Negotiation Period may be extended only by written agreement between the Parties and HCIDLA shall have the right to thereafter develop or dispose of the Site as it shall determine appropriate in its sole and absolute discretion.

This Agreement may also be terminated if the Parties agree in writing that a successful consummation of the negotiations is impossible.

3. Test and Surveys

During the Negotiation Period, DEVELOPER shall conduct such tests, surveys, and other analyses as the DEVELOPER deems necessary to determine the feasibility of designing, constructing, leasing and financing the Project and shall complete such tests, surveys, and other analyses promptly within the Negotiation Period. For these purposes, HCIDLA shall provide to DEVELOPER, its agents and/or representatives, the right to enter onto the Site and to conduct such tests, surveys, and other procedures ("Tests"). DEVELOPER shall take all necessary effort to ensure that such Tests shall not unreasonably alter the condition of the Site, or other HCIDLA activities on the Site. DEVELOPER shall indemnify and hold harmless the City of Los Angeles ("City"), and its departments (HCIDLA), its

Boards, Officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including DEVELOPER's and any contractor's and subcontractor's employees and agents, or damage or destruction of any property of any property of the Parties hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to any such entry on the Site by DEVELOPER, its agents or representatives, provided that such indemnity shall not relate to existing Site conditions that differ substantially from existing plans and drawings, and could not have been discovered by reasonable visual inspection or reasonable and typical non-intrusive tests prior to any intrusive testing. DEVELOPER shall present HCIDLA with evidence of a general liability insurance policy in an amount of at least \$1 million, naming the City of Los Angeles as an additional insured. The insurance policy shall cover all liability and property damage arising from DEVELOPER's employees' presence on the Site during Tests. Any destruction or alteration of site features or surfaces resulting from the tests shall be fully replaced at the full expense of the Developer within ten (10) business days.

4. Essential Terms

A. **DDA.** DEVELOPER's rights and obligations shall be specifically set-forth in the DDA and shall include without limitation all of the following:

- 1) Project Description;
- 2) Scope of Development;
- 3) DEVELOPER Site Inspection rights;
- 4) The financial relationships between the parties
- 5) Method of land transfer and ownership rights over specific Improvements
- 6) Design and construction of the Project, including HCIDLA review, approval, and inspection rights, and DEVELOPER assurances;
- 7) Deposits and Costs Reimbursements;
- 8) Schedules of Performance, including effect of change;
- 9) Restrictions on Transfers;
- 10)Covenants to enter into ground lease and other required agreements;
- 11)Escrow provisions, including title, deliveries to escrow, conditions to close of escrow and delivery of Site, parts thereof;
- 12)Insurance and Indemnity;
- 13)Defaults, remedies and termination;
- 14)Encumbrances and rights of lenders;
- 15)Agreement on all other matters necessary to reach a full comprehensive agreement; and
- 16)Restrictions on use of Site.

B. Ground Lease. The Ground Lease shall include, without limitation, provisions relating to all of the following:

- 1) Demise of the premises, including conditions, exceptions, representations and warranties;
- 2) Term, including options and extensions, if any;
- 3) Payment for Ground Lease based generally on the structure proposed in the original RFQ response, taxes and other charges (including appropriate security and bonds);
- 4) Restrictions on Transfers;
- 5) Encumbrances and rights of lenders;
- 6) Possessions, use, subleasing, operations, maintenance and compliance with laws;
- 7) Construction of improvements and operations, including HCIDLA inspection and approval rights, and environmental matters;
- 8) Insurance, indemnity, damage, destruction and eminent domain;
- 9) Default, cure, dispute, remedies;
- 10) Termination and surrender of Site; and
- 11) Administrative provisions.

5. Development Goals for Site

- a) Coordinate with HCIDLA on the development and leasing of the Site.
- b) Provide for rental housing opportunities to low income individuals, families and/or homeless.
- c) Ensure that all uses on the Site are consistent with the local jurisdiction's adopted land use plans.
- d) Create a development which increases mobility, economic development (including job creation), and meets other community needs.
- e) Design of a development that meets community needs and standards.

6. Topics for Negotiation

In addition, or as supplement to the Essential Terms, as described in Section 4, the topics for negotiation (to the extent of, and as limited by the terms of the Proposal) shall include, among other things:

- a) Project assembly [e.g. re-subdivision of Site, maintaining current subdivision of Site, etc.];
- b) Structure of the transaction [include, e.g. structure of Ground Lease or leases, sales, exchanges, easements, as applicable];
- c) Method of calculating value and paying for Ground Lease based generally on the structure proposed in the original RFQ response;

- d) The terms of the proposed DDA, Ground Lease and other agreements as described in Section 4 above;
- e) Availability of the Site to the DEVELOPER;
- f) Proposed land uses and appropriate assurances regarding the continued use of the Project improvements for their original intent;
- g) Site layout and conceptual architectural and urban design plans;
- h) HCIDLA's requirements upon DEVELOPER to ensure long-term affordability of rental units;
- i) Permanent financing plan, including strategy as it relates to HCIDLA's Managed Pipeline;
- j) Aesthetic considerations;
- k) Quality and type of construction;
- l) DEVELOPER's responsibility to obtain environmental clearances, entitlements, and project financing;
- m) Terms of DEVELOPER's construction financing and HCIDLA's right to approve same; and
- n) Project schedule and any other considerations necessary to fully implement the proposed Project in a timely fashion.

7. Deposit

Prior to and as a condition precedent to the execution of this Agreement by HCIDLA DEVELOPER shall submit to HCIDLA a good faith non-refundable site control fee ("SITE CONTROL FEE") in the amount of _____ (\$_____) in the form of cash or certified check to subsidize holding costs.

8. Broker's Fees

The Parties represent and warrant to each other that no broker or finder has been engaged, or is in any way connected with the transactions contemplated by this Agreement. In the event any claim for brokers' or finders' fees is made in connection with the transaction contemplated by this Agreement, the Party upon whose statement, representation or agreement the claim is made shall indemnify, hold harmless and defend the other Parties from and against such claims.

9. Assignment

As a condition to any proposed assignment of this Agreement, DEVELOPER shall be required to make full disclosure to HCIDLA of the principals, officers, stockholders, partners, etc., and all other reasonable pertinent information concerning the assignee of DEVELOPER and its associates.

Except as to an assignment to an entity wholly controlled or wholly owned by DEVELOPER or a limited partnership in which DEVELOPER or an affiliate is a general partner, for which HCIDLA's consent is not required, no assignment by DEVELOPER of its rights and obligations hereunder shall be made without the express written consent of HCIDLA, which consent shall be given or withheld at the sole discretion of HCIDLA. Upon

any permitted assignment by Developer of its rights and obligations hereunder, DEVELOPER and the permitted assignee shall execute a written assignment agreement and the succeeding entity shall be deemed DEVELOPER for all purposes under this Agreement. Notwithstanding anything which may be or appear to be herein to the contrary, no assignment hereof by DEVELOPER shall relieve DEVELOPER of its obligations under this Agreement unless specifically agreed to in writing by HCIDLA.

DEVELOPER shall along with any request for approval of any assignments hereof, deliver to HCIDLA the most recent financial statement and/or the financial statements of the assignee. HCIDLA understands and acknowledges the proprietary nature of said information and, to the extent permitted by law, agree not to disclose said information to any person or entity other than representatives of HCIDLA or their consultants, having a need to know.

HCIDLA shall not assess a fee for its approval or any assignment, except to the extent that it incurs direct third party expenses, consultant or legal fees related to approval of the assignment in which event the fee shall not exceed the total of the direct costs incurred by HCIDLA related to approval of the assignment.

10. HCIDLA Obligations

During the Term of this Agreement, HCIDLA shall deliver, within 15 days of receipt of written request thereof, any existing HCIDLA information, studies, reports, site and construction plans or other documents which DEVELOPER may reasonably request to facilitate the Project design without cost or expense to DEVELOPER. The Parties shall cooperate to ensure timely review and revision of any DEVELOPER documents or plans.

This Agreement is an agreement to enter into a period of exclusive negotiations according to the terms hereof. HCIDLA expressly reserves the right to decline to enter into a DDA and/or a Ground Lease in the event the Parties fail to negotiate either agreement to the satisfaction of HCIDLA. Except as expressly provided in this Agreement, HCIDLA shall have no obligations or duties hereunder and no liability whatsoever in the event the Parties fail to timely execute a DDA as long as they negotiate exclusively in good faith and cooperate in the preparation of the DDA and/or Ground Lease in accordance with Section 1 above.

Developer acknowledges and agrees that HCIDLA has not agreed to fund, subsidize or otherwise financially contribute in any manner toward the development of the Project other than those representations contained in the HCIDLA RFQ.

By its execution of this Agreement, HCIDLA is not committing to or agreeing to undertake: (i) disposition of land to DEVELOPER; or (ii) any other acts or activities requiring the subsequent independent exercise of discretion by HCIDLA, other than their good faith obligation to negotiate exclusively with DEVELOPER as provided herein.

The Parties recognize that one or more of the conditions to DEVELOPER's proposal set

forth herein may fail to be met as a result of subsequent studies, reviews and proceedings invoking the exercise of discretion by HCIDLA or any public agency having regulatory jurisdiction.

DEVELOPER shall bear all costs incurred as a result of compliance with the California Environmental Quality Act and the National Environmental Policy Act relating to Developer's joint development of the Project; including, but not limited to, preparation of an environmental report or any other required studies or documents.

11. Non-Liability of HCIDLA, Officials and Employees

Without limiting the provisions set forth herein, no member, official, representative, director, attorney, or employee of HCIDLA shall be personally liable to DEVELOPER or any successor in interest, in the event of any default or breach by HCIDLA or any obligations under the terms of this Agreement, or of any amount which may become due to DEVELOPER or to its successor under the terms of this Agreement.

12. Plans, Reports, Studies and Investigation

Upon written request by HCIDLA, DEVELOPER shall provide the requesting agency, without cost or expense to that agency and without representation or warranty, copies of all plans, reports, studies, or investigations (collectively, "Plan") prepared by or on behalf of DEVELOPER which the DEVELOPER owns or has the copyrights to with respect to the Site and the Project. All Plans shall be prepared at DEVELOPER's sole cost and expense, and DEVELOPER agrees to indemnify, defend and hold harmless the City of Los Angeles, its departments (HCIDLA), and its members, representatives, employees, officials, directors, attorneys, successors and assigns (collectively, "Representatives") from losses, liability, claims, causes of action, injury or expense, including without limitation, reasonable attorneys' fees and costs (collectively, "Loss and Liabilities") arising from or in any way related to the cost of preparation of such Plans.

13. Developer's Responsibilities

Without limiting any other provision of this Agreement, during the period of negotiations hereunder, DEVELOPER, at its sole cost and expense, shall prepare and submit the following documents and perform the following acts all in furtherance of the negotiation process:

A. Submittals. HCIDLA and all agencies having regulatory jurisdiction will require planning and design approval for the Project. DEVELOPER shall meet with representatives of HCIDLA to review and come to a clear understanding of the planning and design criteria required by these agencies.

DEVELOPER, within 180 days after execution of this Agreement (subject to receipt of all plans and studies requested by DEVELOPER of HCIDLA pursuant to Section 10), shall submit to HCIDLA the following:

- a) Evidence of control or acquisition plan of any properties not owned by HCIDLA but considered essential to the Project. Evidence shall be in the form of letters of intent from each of the owners stating commitment of land, economic terms and cost basis as well as a detailed action plan and schedule relating to the acquisition of the properties.
- b) Revised or updated Project design concept plan, including a site plan and sections as necessary to describe the proposed scope and schedule.
- c) Project development schedule including milestones for site control, financing commitments, design, environmental/entitlement, construction and completion.
- d) Financing plan/economic projection for the Project. The financing plan shall include a detailed statement of the overall estimated costs of construction and, to the extent it is then available: a) the source and availability of equity capital; and b) construction and long-term development financing. The economic projection shall estimate income to be derived from the Project, and operating costs and debt service shall include a pro forma statement of Project return adequate to enable HCIDLA to evaluate the economic feasibility of the proposed development of the Project. Prior to expiration of the Negotiation Period, DEVELOPER shall update the financing plan to include the source and availability of equity capital, construction and long-term financing if not previously included in the plan.
- e) Proposed term sheet for the Ground Lease (if applicable). The proposal shall include without limitations
 1. Term, including any options,
 2. Rent amount,
 3. Recognition of costs, if any, incurred by or for the benefit of any party to achieve design objectives or construction interfaces;
 4. Description of any reciprocal access rights related to the common use areas; and
 5. The general terms upon which DEVELOPER may enter into subleases.

B. Cost Disclosure: To support negotiation of the Ground Lease, the DEVELOPER agrees to disclose to HCIDLA all costs and revenue projections for the proposed Project, including the terms under which the DEVELOPER has been able to obtain control of any other adjacent properties to be included in the Project.

C. Further Information: HCIDLA reserve the right at any time to request from DEVELOPER additional or updated information including data, and commitments to ascertain the depth of the DEVELOPER's capacity and desire to lease and develop the Site expeditiously. HCIDLA will provide a reasonable time for DEVELOPER to submit to the respective agency such additional information.

14. Effective Date

The Agreement shall be deemed effective upon the date on which this Agreement is executed by all Parties, as evidenced by the date of the last signature on the signature pages hereto (the "Effective Date").

15. Entire Agreement

This Agreement represents the entire agreement of the Parties with respect to the matters set forth herein. This Agreement may not be amended except in writing signed by all the Parties hereunder.

16. Covenant Against Discrimination

DEVELOPER shall not discriminate against nor segregate any person, or group of persons on account of sex, race, color, age marital status, religion, handicaps, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site, nor shall the DEVELOPER establish or permit any such practice or practices of discrimination or segregation in the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the Site.

17. Notices

All notices required or permitted hereunder shall be delivered in person, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested to such party at its address shown below, or to any other place designated in writing by such Party.

DEVELOPER: Name, Address, City, State, Zip
Attention:

HCIDLA: City of Los Angeles Housing and Community Investment Department
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017
Attention: Rushmore D. Cervantes, General Manager

Any such notice shall be deemed received upon delivery, if delivered personally or by FAX or email, (1) the next business day after delivery by a courier, if delivered by courier, and three (3) days after deposit into the United States Mail, if delivered by registered or certified mail.

IN WITNESS WHEREOF, HCIDLA AND DEVELOPER have signed this Agreement as of the dates set forth below.

By: _____

HCIDLA
City of Los Angeles Housing and Community Investment Department

By: _____

Approved as to form:

MICHAEL N. FEUER
City Attorney

By: _____

DEVELOPER

By: _____

DEVELOPER

EXHIBIT G
**Permit to Enter to View and Inspect
and Release of Liability**

This Permit to Enter and Release of Liability (the "Permit"), is hereby granted to _____ **(Agency Name)**, its members, agents, employees and contractors (hereinafter collectively referred to as "Permittee") by the City of Los Angeles, acting by and through its Los Angeles Housing and Community Investment Department, ("HCIDLA"), to enter _____ **(Property Address)**, for the purpose of viewing and inspecting the interior and exterior of the Property at Permittee's sole cost, expense and risk. Permittee acknowledges and agrees that it has no current or future rights to title, possession or use of the Property except for the right to enter the property in accordance with the terms and conditions of this Permit. The City shall retain in their sole and absolute discretion its right to use or dispose of the Property.

This Permit is effective from ____ a.m. to ____ p.m. on _____, 2016.

In consideration of this Permit, it is understood and agreed as follows:

1. That Permittee will not suffer or permit any dangerous condition to be created, exist, or continue on the above premises.
2. That all acts and things done by Permittee on the above Property will be done in a careful and reasonable manner.
3. That signing of this Permit shall be considered acknowledgment that prior to entry or use of the Property, Permittee has made a thorough investigation of the same and Permittee is fully aware of all conditions thereon.
4. That Permittee enters the Property entirely at its own risk, and that Permittee acknowledges that neither the City nor any of their officers, employees, agents, or contractors have made any warranty or representation to Permittee that the Property is safe or fit for any particular use or purpose.
5. That Permittee will perform the viewing and inspection, at its sole risk, cost and expense, and acknowledges that the City will not pay for any labor or materials associated with Permittee's viewing of the Property.
6. That upon expiration of this Permit, Permittee will remove at its sole expense any and all of Permittee's personal property and restore any damage to the Property which may have been caused as a result of Permittee's use of or entry onto the Property.

7. That Permittee agrees not to assign any rights or responsibilities in whole or in part under this Permit without the written consent of the City and that any such attempted assignment of its rights under this Permit without prior written consent of the City shall be invalid and void.
8. That Permittee hereby agrees to comply with all required federal, State, County and local laws and regulations relating to the use of the Property, as described herein, and that any and all costs incurred in such compliance shall be at its sole expense with no liability or costs for such compliance accruing to the City or to any of their officers, employees, agents or contractors.

Agreed to this ____ Day _____ 2016:

_____ Print Name	_____ Print Title	_____ Signature
_____ Print Name	_____ Print Title	_____ Signature
_____ Print Name	_____ Print Title	_____ Signature
_____ Print Name	_____ Print Title	_____ Signature
_____ Print Name	_____ Print Title	_____ Signature

EXHIBITS H & I

Excel Worksheets Will Be Attached In Final Version

DRAFT



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

ATTACHMENT C – CAO REPORT TO ESTABLISH LIST OF PRE-QUALIFIED CONSULTANTS

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 07, 2014

CAO File No. 0220-04736-0006

Council File No.

Council District: ALL

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer
Chair, Municipal Facilities Committee



Reference: Asset Management Strategic Planning (C. F. #12-1549)

Subject: **ESTABLISH LIST OF PREQUALIFIED CONSULTANTS FOR STRATEGIC PLANNING
FOR ASSET MANAGEMENT AND ECONOMIC DEVELOPMENT**

SUMMARY

At its meeting of July 31, 2014, the Municipal Facilities Committee approved a report from my Office's Asset Management Strategic Planning Unit recommending the approval of a list of prequalified consultants, identified through a competitive Request for Qualifications, to provide services for the City's efforts related to strategic planning for asset management and economic development (Attachment A – List of Prequalified Consultants). This action is now transmitted for Mayor and Council consideration.

In December 2012, the Council, with concurrence from the Mayor, established the Asset Management Strategic Planning Unit (AMSP) in the Office of the City Administrative Officer (CAO) to provide the framework and perform preliminary analysis on various asset management strategic planning needs in the City, including the identification of areas of opportunity where the City can leverage its real estate assets for economic development. As AMSP is currently engaged in these efforts and working with departments to build the City's capacity for implementing economic development projects, we anticipate the need for short-term professional services and third-party technical review of proposed real estate and economic development projects. Accordingly, AMSP released a Request for Qualifications (RFQ) in February 2014 to develop a list of pre-qualified consultants in five service areas related to strategic planning for asset management and economic development, including:

1. Real Estate Services and Brokerage
2. Project Feasibility and Underwriting
3. Economic Development Analysis
4. Community Outreach
5. Master Planning and Site Planning

A detailed list of the services included within each of the five service areas is provided in Attachment B – RFQ Service Areas.

SEP 10 2014

ONLY OFFICIALS OFFICE

An evaluation team composed of City real-estate professionals reviewed and scored all RFQ responses. This report recommends that the firms deemed qualified by the evaluation panel be included on a list of prequalified consultants for a three-year term, with two one-year options to extend. On an as-needed basis, AMSP and other City departments engaged in asset management and economic development will be able to request competitive bids from the prequalified list to perform a specific scope of work. Bids selected by the City as the most responsive and cost-effective will result in consultant contracts to provide services.

Authority and funding to contract with consultants to support AMSP efforts was approved in the 2013-14 Budget and continued to the current budget. Other City departments may also contract with the pre-qualified firms with their own funds. Total compensation for all contracted services from prequalified firms is capped at \$5 million over the proposed term for the pre-qualified list.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Approve the prequalified list of contractors identified through the Request for Qualifications (RFQ) (Attachment A – List of Prequalified Consultants) for three years plus two one-year extensions, in the categories enumerated in the RFQ (Attachment B – RFQ Service Areas);
2. Authorize the City Administrative Officer, or designee, to solicit bids from and execute contracts with prequalified firms on an as-needed basis, subject to compliance with the City's contracting policies, approval of the City Attorney as to form, and funding availability; and
3. Authorize the General Managers for departments working in economic development, or designees, to solicit bids from and execute contracts with prequalified firms on an as-needed basis, subject to compliance with the City's contracting policies, approval of the City Attorney as to form, and funding availability.

FISCAL IMPACT STATEMENT

The recommendations have no further impact on the General Fund, as \$579,000 is currently available for these services. In addition, the prequalified list contracts will contain a Financial Liability Clause which limits the City's financial obligation to the amount approved by the Mayor and Council in the corresponding year's budget for such work, which is consistent with the City's Financial Policies. As such, the recommendations in this report comply with the City's Financial Policies as project funding will support project expenditures.

BACKGROUND

Request for Qualifications

The RFQ was issued on February 10, 2014. The RFQ was advertised to over 5,000 vendors through the City's Business Assistance Virtual Network (BAVN: ID 19153), and notice was also sent to nearly 100 real estate, planning, and redevelopment firms that included Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and all Other Business Enterprises (OBEs). A presubmittal conference was held on March 10, 2014, with 56 attendees. Firms also had the opportunity to submit questions about the scope of work and the City's contracting compliance requirements via email. Answers to all submitted questions from the presubmittal conference and from subsequent emails were posted on March 19, 2014 for review by all proposing firms. The RFQ deadline was April 10, 2014, by which time AMSP received a total of 37 responses.

Evaluation of Responses

An evaluation panel comprised of representatives from the CAO, Economic and Workforce Development Department, Harbor Department, and the Housing and Community Investment Department individually reviewed and scored each of the Statements of Qualification (SOQs) for the first three service areas (Real Estate Brokerage, Project Feasibility, and Economic Development). A second evaluation panel, composed of the CAO, Planning Department, and Public Works Bureau of Engineering, separately reviewed the SOQs for the last two service areas (Community Engagement and Master/Site Planning). The evaluation panels then each convened to discuss the responses and collate scores. Respondents with an average score of 70 or above were deemed qualified. Below is a summary of the number of proposals received as well as the evaluation results.

Service Area	Total Proposals Received	Total Qualified
1. Real Estate Services and Brokerage	21	11
2. Project Feasibility and Underwriting	23	18
3. Economic Development Analysis	22	16
4. Community Outreach and Engagement	10	6
5. Master Planning and Site Planning	12	7

The recommended list of prequalified firms was posted on BAVN and distributed to all responding firms on July 18, 2014. Upon request, AMSP staff was available to provide feedback to firms with questions about the evaluation and scoring of the SOQs. To date, two firms have requested debriefing sessions.

Of the 32 firms selected as prequalified for one or more service areas, four (4) are certified as MBEs, three (3) are certified as WBEs, four (4) are certified as Disadvantaged Business Enterprises (DBEs), four (4) are certified as Local Business Enterprises (LBEs), and three (3) are certified as Small Local Business Enterprises (SLBs).

Charter Section 1022 Determination

In accordance with Charter Section 1022, the Personnel Department determined that there are civil service classifications that could potentially provide some of the services proposed for contracting. After notifying all City departments of the intent to contract, the CAO determined that the work can be performed more feasibly by contractors than by City employees because contractors can provide technical expertise that is not sufficiently available in the City's workforce, and can perform third-party analysis of proposed economic development programs and real estate transactions, and because departments reported that there was insufficient capacity to perform the proposed services. For services that may be feasibly provided by the Department of General Services, including title report search, brokerage, and appraisal services – requesting departments will consult with GSD regarding availability of staff before requesting bids from the Prequalified List.

Bidding and Contracting

This Office requests that City Council approve the qualified list (Attachment A – List of Prequalified Consultants) with prequalified consultants in the five (5) service areas. The prequalified list will be effective for a three-year initial term, with two one-year optional extensions with Council approval. Bids from firms on the prequalified list will be requested for specific assignment scopes on an as-needed basis. For each scope of work, bids will be requested from at least five (5) of the pre-qualified firms. The winning bidder, selected by the City as being the most responsive and cost-effective, would be awarded a contract for each specified assignment.

All firms selected for the prequalified list are expected to comply with the City's insurance requirements, and also to comply with applicable City Policies.

In the future, this Office may wish to release a subsequent RFQ to augment the list of prequalified firms or expand the scope of services. Any such proposed additions to the list of prequalified firms would be submitted for Council approval.

by:


for Josh Rohmer, Principal Project Coordinator

APPROVED:

Assistant City Administrative Officer

MAS:JR:5150009

LIST OF PREQUALIFIED CONSULTANTS

After evaluation and scoring by panels of City real estate and economic development professionals of Statements of Qualification submitted in response to the RFQ, the following firms were deemed prequalified.

Service Area 1: Real Estate Services and Brokerage

AECOM
BAE Urban Economics
CBRE
Cresa Los Angeles
Cushman & Wakefield
Economic & Planning Systems, Inc.
HR&A Advisors
Jones Lang LaSalle Americas, Inc.
Kosmont Companies
Overland, Pacific & Cutler
Tierra West Advisors

Service Area 2: Project Feasibility and Underwriting

AECOM
BAE Urban Economics
CBRE
CED Capital Strategies
Cushman & Wakefield
David Paul Rosen & Associates
Economic & Planning Systems, Inc.
Estolano LeSar Perez Advisors, LLC.
HR&A Advisors
Jones Lang LaSalle Americas, Inc.
Keyser Marston Associates
Kosmont Companies
RCLCO (Robert Charles Lesser & Co.)
RSG (Rosenow Spevacek Group, Inc.)
The Concord Group
The Natelson Dale Group, Inc.
The Sotelo Group
Tierra West Advisors

Service Area 3: Economic Development Analysis

AECOM
BAE Urban Economics
Economic & Planning Systems, Inc.
Economic Development Results, LLC.
Estolano LeSar Perez Advisors, LLC.
HR&A Advisors
Jones Lang LaSalle Americas, Inc.
Keyser Marston Associates
Kosmont Companies
Los Angeles County Economic Development Corp.
Development Corp.
Placeworks
Rodino Associates
RSG (Rosenow Spevacek Group, Inc.)
Stanley R. Hoffman Associates
The Natelson Dale Group, Inc.
Tierra West Advisors

Service Area 4: Community Outreach and Engagement

Community Change Partners
Economic Development Results, LLC.
Estolano LeSar Perez Advisors, LLC.
Gensler
Placeworks
Urban Design Center

Service Area 5: Master Planning and Site Planning

AECOM
Gensler
Gruen Associates
Moore Ruble Yudell Architects & Planners
Placeworks
Suisman Urban Design
SWA Group, Inc.

RFQ SERVICE AREAS

The RFQ was developed to prequalify firms in each of the following service areas: 1) Real Estate Services and Brokerage, 2) Project Feasibility and Underwriting, 3) Economic Development, 4) Community Outreach, and 5) Master Planning and Site Planning, as described in more detail below.

1. Real Estate Services and Brokerage

- Preparation of Real Property Appraisals and Broker Opinions of Value
- Brokerage and marketing for City-controlled properties (including leases)
- Title Report search
- Market and feasibility analysis, market research
- Commercial and Industrial surplus/leakage analysis
- Advise on marketing strategies to solicit tenants and lease structuring for City-owned properties
- Space planning and demising recommendations for City properties
- Provide financial advice regarding structuring of City leases
- Preparation of Requests for Proposal, Requests for Qualifications, or other solicitations for development proposals
- Other related services as may be identified

2. Project Feasibility and Underwriting

- Pro forma analysis and underwriting for real estate development including: commercial, industrial, multi-family and affordable housing, municipal facilities, and mixed-use
- Public/private deal structuring, including alternative financing options, and assessment of equity participation
- Analysis for public/private partnerships, potentially to include developments on ground-leased City property, lease-leaseback transactions, and alternative ownership positions
- Cash flow projection and analysis, including preparation of discounted cash flow analysis for development projects
- Site- and/or development-specific revenue analysis and projections including, but not limited to, property, business, sales, utility, possessory interest, and transient occupancy taxes
- Financial feasibility analysis
- Land and project valuations
- Fiscal impact analysis
- Residual land value analysis
- Fair reuse value analysis
- Evaluation of proposed TFAR transactions and associated community benefits agreements
- Ground lease structuring
- Assistance in developer negotiations
- Other related services as may be identified

3. Economic Development Analysis

- Economic development analysis and strategies for commercial and industrial land use
- Strategies for community revitalization
- GIS mapping services
- Sector-based strategies for economic development
- Development of business incubation strategies and programs
- Business district strategies and programs for business retention, expansion, and attraction
- Other related services as may be identified

4. Community Outreach and Engagement

- Organize and conduct community outreach meetings
- Prepare and distribute outreach materials
- Prepare and administer outreach and/or survey instruments
- Other related services as may be identified

5. Master Planning and Site Planning

- Master planning for City-owned properties
- Site planning and development feasibility
- Structural analysis of existing City buildings, with respect to capacity for re-use or rehabilitation
- Parking analysis regarding demand, supply, and strategies for optimization
- Evaluation of environmental and hazardous materials in existing buildings, and preliminary budgeting for remediation
- Other related services as may be identified