

## TRANSMITTAL

To: **THE COUNCIL**

Date: **05/19/21**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in black ink, appearing to read 'Eric Garcetti', with a long horizontal stroke extending to the right.

(Matt Szabo) for

**ERIC GARCETTI**  
Mayor



Eric Garcetti, Mayor  
Ann Sewill, General Manager

**Housing Development Bureau**

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May 13, 2021

Council File: 12-1549- S10  
Council Districts: CD13  
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Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 North Spring Street  
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

**COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL OF RECOMMENDATIONS  
RELATIVE TO THE SELECTION OF DEVELOPERS FOR THE DEVELOPMENT OF  
AFFORDABLE HOUSING AND VARIOUS ACTIONS RELATED TO THE DISPOSITION OF  
THE CITY-OWNED PROPERTIES LOCATED AT 1140 GLENDALE BOULEVARD**

**SUMMARY**

The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, HCIDLA seeks approval, and requests authority to take recommended actions related to the disposition and development of the City-owned property at 1140 Glendale Boulevard, with the purpose of maximizing the use of public land for the development of affordable housing.

On September 17, 2019, the City Council authorized HCIDLA to release a Request for Proposals (RFP) related to the disposition and development of the City-owned property at 1140 Glendale Boulevard. HCIDLA released the RFP on July 15, 2020. Four proposals were received by the September 29, 2020 deadline.

Upon thorough review of the proposals submitted, HCIDLA recommends that the City enter into negotiations with the highest-scoring development team, comprised of The Related Companies of California and A Community of Friends (and/or its to-be-formed limited partnership); and requests authority to execute an Exclusive Negotiation Agreement (ENA) with The Related Companies of California and A Community of Friends (and/or its to be formed limited partnership).

## **RECOMMENDATIONS**

- I. That the Mayor review this transmittal and forward to City Council for further action;
- II. That the City Council, subject to the approval of the Mayor:
  - A. AUTHORIZE the General Manager of HCIDLA, or designee, to select The Related Companies of California and A Community of Friends and/or its to be formed limited partnership to develop affordable housing at 1140 Glendale Boulevard (APN 5404-016-900 & 5404-016-901);
  - B. AUTHORIZE the General Manager of HCIDLA, or designee, to negotiate and execute an ENA with the selected developers, subject to the approval of the City Attorney as to form; and,
  - C. AUTHORIZE the HCIDLA General Manager, or designee, to prepare Controller instructions for any necessary technical adjustments consistent with the Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement these instructions.

## **BACKGROUND**

The mission of HCIDLA is to promote livable and prosperous communities through the development and preservation of decent, safe, and affordable housing, neighborhood investment, and social services. One way HCIDLA accomplishes this goal is by facilitating the development of supportive and affordable housing for low- and moderate-income households on City-owned property.

The purpose of the RFP that was issued in July was to identify and select qualified proposers for the City-owned parcel located at 1140-1152 N. Glendale Boulevard/1140-1155 N. Lemoyne Street (APN 5404-016-900 & 5404-016-901). The desired project type noted in the RFP was for large multifamily affordable and/or supportive housing. The selected proposer will carry out the development process of the parcels, from initial community engagement through project design, financing, and development. Proposers that could demonstrate their ability to design, build, market, and manage affordable or supportive housing were encouraged to submit proposals.

### **Request for Proposals (RFP) Process**

An RFP was released on July 15, 2020 through the Los Angeles Business Assistance Virtual Network (LABAVN) to ensure that a wide pool of applicants would have an opportunity to participate in the RFP process. Following the RFP release, a mandatory Bidders Conference webinar was held on July 29, 2020, and was attended by 122 participants. Four proposals were submitted by the final deadline of September 29, 2020 at 1:00 p.m. The RFP process and timeline is detailed in Table 1, below.

<b>TABLE 1: RFP TIMELINE</b>	
<b>Event/Action</b>	<b>Date</b>
Authority to release RFP	September 12, 2019 (Glendale Blvd.)
Release of RFP	July 15, 2020
Bidder's Conference	July 29, 2020
Site visits	August 14, 2020
Proposals Due	September 29, 2020
Review & scoring complete	March 22, 2021
Initial scores released	March 24, 2021

Last day to submit appeals	April 2, 2021
Recommendations released to Mayor	April/May
Mayor and City Council approval	June

### ***RFP Scoring***

Each Proposal was reviewed in accordance with HCIDLA’s Threshold Requirements, as described in the RFP. Proposals that failed to meet the requirements were deemed ineligible for selection under the RFP.

The RFP scoring criteria enabled a maximum of 100 points to be awarded to a developer or development team, with a mandatory minimum qualification threshold of 70 points. Up to 20 points were awarded to all proposals based on Common Criteria. Up to 80 points were awarded based on Project-Specific Criteria that is unique to the site. The evaluation criteria and point allocations are outlined in Table 2.a and 2.b, below.

<b>TABLE 2.a: EVALUATION AND SCORING CRITERIA</b>	
<b>Common Criteria</b>	<b>Points Available</b>
<b>A. Proposed Development Team Structure</b>	<b>2</b>
<b>B. Financial Capacity</b>	<b>12</b>
1. Audited Financial Statements	3
2. Capital Requirements	3
3. Liquidity Ratio	3
4. Debt/Equity Ratio	3
<b>C. Compliance with City Agreements</b>	<b>4</b>
<b>D. Organization of Written Presentation</b>	<b>2</b>
<b>Subtotal:</b>	<b>20</b>

<b>TABLE 2.b: EVALUATION AND SCORING CRITERIA</b>	
<b>Project-Specific Criteria (Glendale Site)</b>	<b>Points Available</b>
<b>E. Project Benefits</b>	<b>50</b>
<b>F. Community Engagement</b>	<b>10</b>
<b>G. Community Benefits</b>	<b>5</b>
<b>H. Project Pro Forma</b>	<b>10</b>
<b>I. Clarity of Presentation – Interview (Not conducted)</b>	<b>5</b>
<b>Subtotal:</b>	<b>80</b>

HCIDLA established an evaluation team comprised of professionals from HCIDLA to score the four proposals received. The RFP evaluators were tasked to review, independently evaluate, and score each submitted proposal. Following the individual scoring process, the evaluators met as a group and agreed on consensus scores for each of the proposals. Consensus scoring ensures that each member of the evaluation team has time to independently assess a proposal, and then discuss its strengths and weaknesses with other team members to settle on a final score. Presentations were not conducted due to the COVID 19 pandemic and therefore the “Clarity of Presentation” criterion was not scored, resulting in a total possible score of 95 points.

### ***Appeals Process***

Developers were notified of their proposal scores on March 24, 2021, and were given five business days to submit an appeal based on HCIDLA’s scoring procedures. HCIDLA received one appeal that was subsequently withdrawn.

### ***Proposal Scores***

All four proposals passed HCIDLA's threshold review and were scored by the evaluation team. Table 3, below, lists each proposal's lead developer and the score it received.

<b>TABLE 3: FINAL RFP PROPOSAL SCORES</b>	
<b>Glendale Site</b>	
<b>Lead Developer</b>	<b>Total Score</b>
The Related Companies of California	82
Clifford Beers Housing	76
Thomas Safran & Associates	75
West Hollywood Community Housing Corporation	75

### ***Authority to Execute an ENA***

The ENA will commence a negotiation period to determine the development timeline, including the anticipated timing for inclusion into HCIDLA's Affordable Housing Managed Pipeline, if applicable. Negotiation during the ENA process will enable the City and the selected proposers to finalize the concept of the development, agree on the terms of the sale or ground lease, and structure any regulatory agreements and deed restrictions before finalizing the disposition of the parcels. The term of affordability restrictions shall be, at minimum, a 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 properties, the longer terms shall be applied in the covenants or regulatory agreements. The timeline on the ENA process will vary, but is expected to be finalized within 12 months following proposer selections, after which the final project concepts will be submitted to the City Council for authority to execute a Development and Disposition Agreement (DDA). After the DDA has been executed and all funding has been committed, HCIDLA will transfer site control to the selected proposer through a long-term ground lease or sale agreement.

HCIDLA is requesting authority to execute an ENA with the highest-scoring development team, The Related Companies of California and A Community of Friends and/or its to be formed limited partnership.

### **FISCAL IMPACT**

There is no fiscal impact to the General Fund.

Approved By:



ANN SEWILL  
General Manager  
Housing+Community Investment Department