

## PROCUREMENT SUMMARY

LITTLE TOKYO/ARTS DISTRICT STATION JOINT DEVELOPMENT  
OPPORTUNITY/PS63932

1.	<b>RFP Number:</b> PS63932	
2.	<b>Recommended Vendor:</b> Innovative Housing Opportunities	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order <input checked="" type="checkbox"/> Joint Development	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> June 20, 2019	
	<b>B. Advertised/Publicized:</b> June 20, 2019	
	<b>C. Pre-Proposal Conference:</b> N/A	
	<b>D. Proposals Due:</b> August 19, 2019	
	<b>E. Pre-Qualification Completed:</b> N/A	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> February 10, 2020	
	<b>G. Protest Period End Date:</b> March 23, 2020	
5.	<b>Solicitations Picked up/Downloaded:</b> <p style="text-align: center;">4</p>	<b>Proposals Received:</b> <p style="text-align: center;">4</p>
6.	<b>Contract Administrator:</b> Gina Romo	<b>Telephone Number:</b> (213) 922-7558
7.	<b>Project Manager:</b> Nicole V. Avitia	<b>Telephone Number:</b> (213) 922-7439

**A. Procurement Background**

This Board Action is to approve an Exclusive Negotiation Agreement and Planning document (ENA) for development of the Metro-owned Regional Connector Little Tokyo/Arts District Station (Site). Board approval of agreements are subject to resolution of protest(s).

A two-step procurement process was used in order to obtain the broadest competition for this Joint Development opportunity which is more complex than typical Joint Development sites.

Step one, or Request for Interest and Qualifications (RFIQ) No. PS55542, was issued on August 27, 2018, for the selection of potential developers based on qualifications, financial capacity, preliminary conceptual design, and project delivery strategy. A pre-submittal conference was held on September 26, 2018. A total of 8 submittals were received for the RFIQ and 4 developers were selected to proceed to step two.

Step two, or Request for Proposals (RFP) No. PS63932, required the developers selected from step one to provide a site development plan along with a financial proposal and phasing schedule.

This RFP was issued in accordance with Metro's Acquisition Policy and Procedures.

A total of four amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on July 29, 2019 extended the due date of the RFP to August 19, 2019;
- Amendment No. 2, issued on October 21, 2019, after receipt of proposals, clarified the page limit of the required narrative document as 3 pages and extended the due date of the narrative documents to December 2, 2019;
- Amendment No. 3, issued on October 31, 2019, after receipt of proposals, increased the page limit of the required narrative document to 4 pages;
- Amendment No. 4, issued on November 12, 2019, after receipt of proposals, extended the due date of the required narrative document to December 9, 2019 to allow for additional community engagement.

A total of four proposals were received on August 19, 2019.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro's Joint Development Department, City of Los Angeles Planning department, and local businesses and organizations was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- |  |            |
|--|------------|
| • Vision, Scope and Design               | 25 percent |
| • Public Benefits                        | 20 percent |
| • Financial Information                  | 40 percent |
| • Public Workshop & Community Engagement | 10 percent |
| • Project Timeline                       | 5 percent  |

The evaluation criteria are appropriate and consistent with criteria developed for other Joint Development opportunity procurements. Several factors were considered when developing these weights, giving the greatest importance to financial information, which includes the developers' financial capability to build and fund the project through fruition.

All four proposals received were determined to be within the competitive range and are listed below in alphabetical order:

1. Centre Urban Real Estate Partners
2. Ekibashi Project Team
3. Innovative Housing Opportunities, Inc.
4. LTSC Community Development Corporation

On October 17, 2019, Metro sponsored an Open House at the Nishi Hongwanji Buddhist Temple in the Little Tokyo/Arts District community. The Open House provided each of the developers with two opportunities to give an overview of their vision for the Site and to answer questions from community stakeholders.

As part of the RFP, developers were required to prepare a written narrative response to questions and comments generated from the presentations given at the Open House and feedback received after, specifically addressing any negative feedback and how they would overcome it. The written narrative responses to the comments and questions received after completion of the Open House were evaluated by the PET as part of the Public Workshop & Community Engagement.

### **Qualifications Summary of Firms within the Competitive Range:**

#### **Innovative Housing Opportunities, Inc. (IHO)**

IHO is a California non-profit public benefit organization formed in 1976 to address the lack of low-to-moderate income housing in the City of Irvine. The development team also includes Western Pacific Housing (co-developer), LA Commons (community engagement and cultural partner), Safe Place for Youth (service provider), Dahlin (architect), Kal Krishnan Consulting Services (Metro certified SBE engineer), Enterprise (financial partner), and FPI Management (property manager). IHO's portfolio includes housing communities in suburban, urban infill, low-income, and high-cost neighborhoods throughout southern California. The IHO proposal includes approximately 78 residential rental units, serving a variety of tenants and households earning from 30% of Area Median Income (AMI) to 120% AMI. The non-residential program includes supportive service space, incubator/job training space, an art gallery and commercial space, some of which will be reserved for local businesses.

#### **Centre Urban Real Estate Partners (Centre)**

Centre, originally founded in 1999, is a privately-held commercial real estate investment, development, advisory, and asset management company. The development team also includes Stantec (design), Kritzing & Rao (architecture and urban planning), McCormick-Busse, Inc (community outreach), and Enrique Ramirez and Don Tahara (business partners of Senor Fish, Sake Dojo, and Far Bar). The Centre proposal consisted of a food hall concept with modular restaurant space, conventional restaurant, bar, coffee shop, mobility hub, and creative office space.

#### **Ekibashi Project Team (Ekibashi)**

Ekibashi is led by Kaji & Associates, a family-owned and managed commercial developer founded in Little Tokyo. The development team also includes Gruen Associates (planning, urban design, and landscape architecture), Kengo Kuma and Associates (architect), Murakawa Communications (outreach), and HR&A Advisors

(economics). Ekibashi proposed a 180-room four-star hotel with a coffee shop, restaurant, retail, co-working, and art gallery space.

### **LTSC Community Development Corporation (LTSC)**

LTSC is a 501(c)(3) nonprofit community development corporation. The development team also includes FSY Architects (design and engineering), Fehr & Peers (transportation), and Morena Strategies (project consultant). The LTSC proposal included space for a small business incubator, community rooms/visitor center, a restaurant, offices, gallery and a 130-space parking structure.

### **Summary**

Each proposer was required to submit a table with gross square footage for each proposed use, including open space, housing units (if any), retail or office space, parking, and any other information relevant to the development program. This information is summarized below.

### **Development Programs<sup>1</sup>**

	<b>Centre</b>	<b>Ekibashi</b>	<b>IHO</b>	<b>LTSC</b>
Residential Units (#)	0	0	78 rent-restricted units: <ul style="list-style-type: none"> <li>• 40 units at 30-50% AMI</li> <li>• 30 units at 80% AMI</li> <li>• 7 live/work at 120% AMI</li> <li>• 1 manager unit</li> </ul>	0
Hotel Units (#)	0	180	0	0
Retail/Commercial (SF)	18,283	14,273	6,590	10,450
Open Space (SF)	13,595	28,187	14,200	26,600
Mobility Hub (SF)	515	2,350	1,250	1,000
Office (SF)	21,705	4,075	740	2,750
Auto Parking (on-site spaces)	0	0	18	130
Bicycle Spaces (#)	37	100	In mobility hub	In mobility hub
Cultural/Art Gallery (SF)	0	1,801	2,800	2,500
Community Room (SF)	0	1,675	Included in Cultural/Art Gallery above	5,000

<sup>1</sup> The Development Program is based on proposal submissions. The IHO proposal is preliminary and subject to change during the transaction negotiation.

The following table summarizes the final scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>IHO</b>				
3	Vision, Scope and Design	56.00	25.00%	14.00	
4	Public Benefits	71.00	20.00%	14.20	
5	Financial Information	62.00	40.00%	24.80	
6	Public Workshop & Community Engagement	62.00	10.00%	6.20	
7	Project Timeline	62.00	5.00%	3.10	
8	<b>Total</b>		<b>100.00%</b>	<b>62.30</b>	<b>1</b>
9	<b>Centre</b>				
10	Vision, Scope and Design	63.00	25.00%	15.75	
11	Public Benefits	67.00	20.00%	13.40	
12	Financial Information	56.00	40.00%	22.40	
13	Public Workshop & Community Engagement	50.00	10.00%	5.00	
14	Project Timeline	64.00	5.00%	3.20	
15	<b>Total</b>		<b>100.00%</b>	<b>59.75</b>	<b>2</b>
16	<b>Ekibashi</b>				
17	Vision, Scope and Design	70.00	25.00%	17.50	
18	Public Benefits	75.00	20.00%	15.00	
19	Financial Information	32.00	40.00%	12.80	
20	Public Workshop & Community Engagement	58.00	10.00%	5.80	
21	Project Timeline	65.00	5.00%	3.25	
22	<b>Total</b>		<b>100.00%</b>	<b>54.35</b>	<b>3</b>
23	<b>LTSC</b>				
24	Vision, Scope and Design	38.00	25.00%	9.50	
25	Public Benefits	52.00	20.00%	10.40	
26	Financial Information	29.00	40.00%	11.60	
27	Public Workshop & Community Engagement	53.00	10.00%	5.30	
28	Project Timeline	64.00	5.00%	3.20	
29	<b>Total</b>		<b>100.00%</b>	<b>40.00</b>	<b>4</b>

**C. Background on Recommended Developer**

The recommended firm, IHO, is a nonprofit entity that has been serving the local southern California affordable housing community for almost 45 years. IHO is working with Western Pacific Housing, LLC, a consortium of real estate development veterans, on this project.

**D. DEOD Summary**

Metro strongly encourages partnerships with Community-Based Organizations (CBO) that provide affordable housing and other community serving programs and uses to its joint development sites as part of the development team.

Metro also encouraged development teams to create opportunities to include Metro-certified DBE/SBE and DVBE firms in their projects, through professional or construction services. IHO committed to utilize one Metro certified DBE/SBE engineering firm, Kal Krishnan Consulting Services, as part of its development team.

**E. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy (PLA/CCP) will be applicable on this Joint Development project. IHO has committed to meeting the applicable PLA/CCP requirements.