

PROCUREMENT SUMMARY

CHAVEZ AND FICKETT JOINT DEVELOPMENT PROJECT/PS3972200

1.	RFP Number: PS39762	
2.	Recommended Vendor: Abode Communities	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP- Joint Development <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: March 20, 2017	
	B. Advertised/Publicized: March 20, 2017	
	C. Pre-proposal/Pre-Bid Conference: April 6, 2017	
	D. Proposals/Bids Due: June 29, 2017	
	E. Pre-Qualification Completed: N/A	
	F. Ethics Declaration Forms Received: June 29, 2017	
	G. Protest Period End Date: January 19, 2018	
5.	Solicitations Picked up/Downloaded: 62	Bids/Proposals Received: 5
6.	Contract Administrator: Walter Sparkuhl	Telephone Number: (213) 922-7399
7.	Project Manager: Greg Angelo	Telephone Number: (213) 922-3815

A. Procurement Background

This Board Action is to approve an Exclusive Negotiation Agreement and Planning Document (“ENA”) with Abode Communities (“Abode”) for the development of 1.56 acres of Metro-owned property at the corner of Cesar E. Chavez Avenue and Fickett Street. Board approval of contract awards are subject to resolution of any properly submitted protest(s).

The Request for Proposals (“RFP”) was issued in accordance with Metro's Acquisition Policy and will result in an 18-month ENA.

A pre-proposal conference for this RFP was conducted on April 6, 2017 and was attended by 14 people representing 10 firms. One question was asked and a response was provided prior to the proposal due date.

A total of five proposals were received on June 29, 2017.

B. Evaluation of Proposals

A Proposal Evaluation Team (“PET”) consisting of staff from Metro, City of Los Angeles and Boyle Heights community members, 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 35 percent
- Development Team Experience & Financial Capacity 30 percent
- Financials 20 percent
- Implementation 15 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar joint Development procurements. Several factors were considered when developing these weights, giving the greatest importance to Vision, Scope and Design, and Development Team Experience and Financial Capacity.

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

1. Abode
2. Chelsea Investment Corporation
3. East LA Community Corporation (“ELACC”)
4. Linc-Core
5. Skid Row Housing Trust

On October 5, 2017, the PET met and interviewed the three proposers with the most competitive proposals (i.e.; Abode, ELACC and Skid Row Housing). The firm’s project managers and key team members had an opportunity to present each teams’ qualifications and respond to the PET’s questions. In general, each team’s presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm’s commitment to the success of the project. Also highlighted were work plans and perceived project issues. Each team was asked questions relative to each firm’s proposed alternatives and previous experience.

Qualifications Summary of Firms within the Competitive Range

ABODE

Abode Communities is a nonprofit social enterprise that has been involved in community development since 1968. Since its inception, the organization has developed more than 40 residential communities that are home to 6,200 low-income people.

CHELSEA INVESTMENT CORPORATION

Chelsea’s core business is the financing, development, and operation of affordable multifamily rental housing and mixed-use developments. Since 1986, Chelsea has developed about 100 affordable rental communities, including inclusionary, special

needs, senior mixed-use, rural, and supportive housing. The total number of rental units developed is over 10,000 affordable housing units.

ELACC

ELACC is a 501(c)(3) nonprofit organization founded in 1995. ELACC provides affordable housing, community services, community organizing, and wealth building services to over 2,000 residents. Since 1995, ELACC has developed and now owns 731 units of affordable rental housing with 504 units in the pipeline.

LINC-CORE

This is a partnership between LINC Housing Corporation and National Community Renaissance. Founded in in 1984, LINC Housing Corporation is a 501(c)(3) nonprofit public benefit corporation with a 33-year history of providing affordable housing and community investment throughout California. Through the years, they have built 7,500 units and currently manage 5,500 and have a pipeline of 445 units. CORE was established in 1992 as a 501(c)(3) non-profit public benefit corporation. Over the past two decades CORE has grown to include management of 9,000 units in four states, of which 6,700 units are located in Southern California.

SKID-ROW HOUSING TRUST

Skid Row Housing Trust is a 501(c)(3) nonprofit corporation. Since 1989, it has completed over 30 developments of permanent supportive housing, including mixed-use-mixed-population, and mixed-income projects. They have provided over 2,282 affordable housing units to those who have experienced homelessness, extreme poverty, poor health, disabilities, mental illness and/or addiction.

Summary of Proposed Development Programs

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

Residential

	ABODE	CHELSEA	ELACC	LINC-CORE	SKID ROW
Residential Units (#)	60	87	60	101	56
# units 30% AMI	12	10	36	50	14
# units 35% AMI		5		Unspecified	
# units 40% AMI	6	5	12	Unspecified	
# units 45% AMI		5		Unspecified	19
# units 50% AMI	41	61	11	Unspecified	22

Manager's unit	1	1	1	1	1
Bedrooms					
0-			19		36
1	15	19	24	50	12
2	30	54	9	26	8
3	15	14	8	25	

Non-Residential Uses

	ABODE	CHELSEA	ELACC	LINC CORE	SKID ROW
Retail/Grocery (sq. Ft.)	25000	15491	36000	20000	18800
Other Commercial (sq. ft.)	0			0	900
Community Room (sq.ft.)	2000		2186	5000	Yes, size not indicated
Total Project Parking (on-site spaces)	82	157	118	131	119
Bicycle Spaces	95	87	90	Yes, but no amount provided.	700
Public Park (sq. ft.)	6500	0	0	0	12000
Other public space (sq. ft.)	0	Covered arcade, size not specified	6000	0	8300

Summary of Proposed Funding and Financial Terms

Each proposer was required to submit the anticipated sources of proposed project funding. Proposers were also required to submit financial offers to Metro, which included key financial information such as ENA fee, lease period, rents at all stages of development, and any other terms proposers would like to offer. To further evaluate each proposal, financial projections were calculated to assess the value of each offer and are summarized below.

Permanent Funding Sources

	ABODE	CHELSEA	ELACC	LINC CORE	SKID ROW
LIHTC Equity	22,848,101	17,892,812	15,538,702	28,661,159	11,153,261
NMTC Equity	4,310,505	0	3,198,995	0	3940,120
Other Equity	4,048,487	0	100	0	5,085,837
Other Public Sources	600,000	17,961,752	6,591,750	7,500,000	14,305,643
Conventional Debt	8,311,838	7,172,116	6,591,750	5,342,169	7,199,000
Developer Fee Deferral/Contribution	0	3,460,090	12,480,000	49,026	550,000
Other	1,530,000	0	0	0	0
TOTAL	41,648,931	46,486,770	37,809,547	41,552,354	42,233,861

Financial Terms (Metro)

	ABODE	CHELSEA	ELACC	LINC CORE	SKID ROW
Ground Lease Rent	\$3.57 Million capitalized payment	25% of cash flow for first 13 years; 50% of cash flow thereafter	\$1.2 Million capitalized payment; plus \$159,827 per year during construction and thereafter: \$449,424 annual rent for the commercial component, escalating annually at 2.5% and \$25,000 annual rent for the residential component, escalating annually at 2%	\$51,000 annual rent. Escalating annually at 2.5%	\$3,808,000 capitalized payment
Additional Ground Lease Rent	25% of gross revenue	None	33% of residual cash flow on the commercial component	None	None
Additional Ground Lease Compensation	20% of Abode's share of sale & refinancing proceeds	None	33% of net sale & refinancing proceeds	None	None
Ground Lease Term	65 years	65 years	55 years + one 10-year option	55 years	99 years
ENA Fee	\$50,000	\$50,000	\$50,000	\$25,000	\$50,000
Joint Development Agreement Holding Fee	\$75,000	\$1	\$159,827 per year	None	\$36,000 per year

A summary of the PET's scores is below.

1	Abode Communities	Average Score	Factor Weight	Weighted Average Score	Rank
2	Vision, Scope and Design	89.07	35.00%	31.17	
3	Development Team Experience and Financial Capacity	83.13	30.00%	24.94	
4	Financials	84.14	20.00%	16.83	
5	Implementation	83.75	15.00%	12.56	
6	Total	85.50	100.00%	85.50	1
7	Skid Row Housing Trust				
8	Vision, Scope and Design	78.16	35.00%	27.36	
9	Development Team Experience and Financial Capacity	80.64	30.00%	24.19	
10	Financials	75.83	20.00%	15.17	
11	Implementation	80.00	15.00%	12.00	
12	Total	78.71	100.00%	78.72	2
13	East LA Community Corporation				
14	Vision, Scope and Design	82.06	35.00%	28.72	
15	Development Team Experience and Financial Capacity	77.50	30.00%	23.25	
16	Financials	62.93	20.00%	12.59	
17	Implementation	82.50	15.00%	12.38	
18	Total	76.93	100.00%	76.94	3
19	Linc-Core				
20	Vision, Scope and Design	74.09	35.00%	25.93	
21	Development Team Experience and Financial Capacity	77.20	30.00%	23.16	
22	Financials	70.40	20.00%	14.08	
23	Implementation	80.00	15.00%	12.00	
24	Total	75.17	100.00%	75.17	4
25	Chelsea				
26	Vision, Scope and Design	73.15	35.00%	25.60	
27	Development Team Experience and Financial Capacity	75.95	30.00%	22.79	
28	Financials	71.25	20.00%	14.25	
29	Implementation	81.25	15.00%	12.19	
30	Total	74.83	100.00%	74.83	5

C. Background on Recommended Developer

Abode Communities is an affordable Housing Finance 2016 Top 50 developer. They are a leading provider of Leadership in Energy and Environment Design (LEED) Platinum units in the State of California for the sixth consecutive year. They are the longest established affordable housing provider in Southern California. Abode Communities has experience with multi-family housing. They currently own and operate 35 residential communities with 2,354 homes for 6,200 low income residents (including but not limited to Selma Community housing, Rio Vista Apartments, and Ivy Terrace). Abode Communities also has experience in mixed-use developments (Casa Dominguez in East Rancho Dominguez, CA) and aligning affordable housing with transit completed two transit oriented developments (TOD) with 143 homes for 500 low-income people.

Abode Communities has a presence within the Boyle Heights Community as a result of their engagement and outreach activities for the planning of La Veranda, a mixed use community adjacent to Cesar Chavez. Key personnel have been involved in affordable housing for an average of 15 years. Abode Communities' President has been part of Abode Communities for 20 years and the project manager has 20 years of experience in affordable housing development.

Metro strongly encourages developer's to partner with Community-Based Organizations ("CBOs") to provide affordable housing and other community serving programs and uses at its joint development sites. Abode is a non-profit organization that is committed to community-driven projects and design, and providing community serving programs and has committed to collaborate with CBOs for the Chavez Gardens project. Currently, Abode's consultant team includes one CBO, the Los Angeles Neighborhood Initiative, who is providing planning and programming expertise for the project's proposed public park and public art components.

D. DEOD Summary

Metro encouraged Development Teams to create opportunities to include Metro-certified SBE/DBE and DVBE firms in their projects, through professional and/or construction services. Abode Communities committed to collaborate with SBE/DBE and DVBE firms for the Chavez Gardens project.