

**CORRESPONDENCE/HANDOUTS
FROM APRIL 30, 2007
COUNCIL MEETING**



PASADENA COMMUNITY DEVELOPMENT COMMISSION

30 April, 2007

The Honorable William J. Bogaard, Mayor
and Members of City Council
City of Pasadena
100 North Garfield Avenue
Pasadena, California 91109

Re: Recommendation Regarding Heritage Square Development Project

Dear Mayor Bogaard and City Members of City Council:

At the regular meeting of the Community Development Committee ("Committee") held April 26, 2007, staff's recommendation regarding the selection of the preferred development proposal for the Heritage Square project was presented. Following considerable discussion, the Committee voted to recommend to the City Council/Community Development Commission that the single development proposal received from Bakewell Company/Century Housing Corporation be recommended as the preferred development proposal for the project.

The Committee further recommended that no additional time (approximately 30 days as indicated in the Committee staff report) for further staff evaluation be included in the process.

Thank you for your consideration.

Respectfully Submitted,


John J. Kennedy, Chair
Community Development Committee

xc: Cynthia Kurtz, City Manager

DATE: APRIL 24, 2007

TO: FAIR OAKS PROJECT AREA COMMITTEE

FROM: GREGORY ROBINSON
HOUSING & COMMUNITY DEVELOPMENT ADMINISTRATOR

SUBJECT: HERITAGE SQUARE DEVELOPMENT SITE; 19-25 E. ORANGE GROVE
BOULEVARD AND 710-790 N. FAIR OAKS AVENUE; DESIGNATION OF THE
BAKEWELL COMPANY/CENTURY HOUSING CORPORATION AND SOUTHERN
CALIFORNIA HOUSING DEVELOPMENT CORPORATION/UNION STATION
FOUNDATION/TRIAD VENTURES AS DEVELOPER FINALISTS FOR FURTHER
CONSIDERATION IN THE HERITAGE SQUARE REQUEST FOR PROPOSALS
COMPETITION

RECOMMENDATION:

It is recommended that the Fair Oaks Project Area Committee recommend to the Pasadena Community Development Commission ("Commission") that it take the following actions:

- 1) Designate The Bakewell Company/Century Housing Corporation and Southern California Housing Development Corporation/Union Station Foundation/Triad Ventures as developer finalists for further consideration in the Heritage Square Request For Proposals competition in connection with the proposed disposition and development of Commission-owned real property located at 19-25 E. Orange Grove Blvd. and 710-790 N. Fair Oaks Ave. (the "Heritage Square Site"); and
- 2) Direct staff to evaluate the two proposals and return on June 4, 2007 with a recommendation to enter into an Exclusive Negotiation Agreement with one of the finalists.

ADVISORY BODY RECOMMENDATION

At its meeting on March 31, 2007, the Developer Selection Committee selected the development team of Bakewell Company/Century Housing Corporation for staff recommendation to enter into an Exclusive Negotiation Agreement with the Commission.

The Northwest Commission will consider and take action on the subject recommendation at their regular meeting on April 24, 2007.

The Community Development Committee will consider and take action on the subject recommendation at their regular meeting on April 26, 2007.

EXECUTIVE SUMMARY

Two development teams have emerged as finalists in response to the Heritage Square Request For Proposals competition: 1) The Bakewell Company/Century Housing Corporation; and 2) Southern California Housing Development Corporation/Union Station Foundation/Triad Ventures. During the next 30 days, staff will refine the project criteria, give the finalists an opportunity to provide additional information based upon that refinement, and then further evaluate the two developer finalists and

	Project A	Project B	Project C	So Cal Housing Dev. Union Station/Triad
Total Housing Units	134	100	145	148
Rental Units	40 (30%)	68 (68%)	98 (68%)	99 (67%)
Ownership Units <i>per</i>	94 (70%)	32 (32%)	47 (32%)	49 (33%)
Senior Units	61 (46%)	27 (27%)	105 (72%)	148 (100%)
Family Units	73 (54%)	73 (73%)	40 (28%)	0 (0%)
Affordable Units	52 (38%)	82 (82%)	98 (67%)	99 (67%)
Workforce Units <i>low</i>	82 (62%)	12 (12%)	14 (10%)	0 (0%)
Market Rate Units	0 (0%)	6 (6%)	33 (23%)	49 (33%)
Commercial Space	20,000 sf	16,000 sf	20,000 sf	40,554 sf
Community Space	4,131 sf	2,200 sf	2,480 sf	4,691 sf
Dev't Cost Per Unit*	\$379,800	\$404,100	\$340,500	\$381,000
PCDC Assistance*	Land + \$5.21M	Land + \$7.29M	Land + \$1.93M	Land + \$130,000

* As determined by Keyser Marston Associa

DEVELOPER PROPOSAL EVALUATION AND SCORING

The staff recommendation for the selection of the Developer was based upon the evaluation of the developer proposals (1/17/07 original submittals plus 3/9/07 addendum materials) performed by two committees: the Developer Selection Committee ("DSC"), and the Staff/Consultant Review Team ("Review Team")

Developer Selection Committee (DSC)

The DSC is a 15-member body comprised of representatives from City commissions and advisory bodies, and persons with specific professional expertise in the fields of development, design, financing, and planning. A member roster of the DSC is attached as Exhibit "B". As set forth in the DSC Statement Of Mission And Tasks (adopted at its meeting on March 23, 2007 and attached as Exhibit "C"), the mission of the DSC "is to select the development team that offers the most responsive program as defined in the RFP and has sufficient capacity to execute it and meets community needs to enter into exclusive negotiations with the Pasadena Community Development Commission for a Disposition And Development Agreement." Six meetings of the DSC were convened from December 2006 through April 2007.

At its meeting on March 31, 2007 the DSC, with 14 members in attendance, the DSC received scheduled in-person presentations from the four development teams. Each team was allotted 30 minutes for their presentation and 30 minutes for question-and-answer, followed with a period of closed discussion by the DSC. Each DSC member scored and ranked the proposers based on the Evaluation Criteria set forth in the RFP: 1) Administrative Capacity; 2) Financing; 3) Design; and 4) Local Business. Among the four proposers, The Bakewell Company/Century Housing received the highest score. The Bakewell Company/Century Housing also received the most number of highest scores from DSC members with 9. Southern California Housing/Union Station/Triad received 3,

Heritage Housing/LA Community Design Center received 1, and Renaissance Oak received 1. The results are summarized in the following table:

Developer Selection Committee -- Overall Scores

	Bakewell Company/Century Housing Corp.	Heritage Housing/LA Community Design Center	Renaissance Oak	Southern California Housing/Union Station/Triad Ventures
Total Possible Score	1,400	1,400	1,400	1,400
DSC Score	1,123	878	892	892
Average Score	80.2	62.7	63.7	63.7

A letter dated April 5, 2007 from DSC communicating to the City its developer recommendation is attached as Exhibit "D".

Review Team

The Review Team is comprised of City staff (including staff from Housing & Community Development, Planning and Development, Northwest Programs, and an Assistant City Manager, a design consultant (Futterman & Associates), and a financial consultant (Keyser Marston & Associates). The Review Team convened eight meetings from January through April 2007 to review, evaluate, and score the proposals. The Review Team also prepared and transmitted to the DSC for their review and consideration the Review Team Assessment, comprised of the design and financial analyses conducted by the consultants and staff comments (Exhibit "E").

The Review Team evaluated and scored the four proposals based on the Evaluation Criteria set forth in the RFP: 1) Administrative capacity, experience and background of the development team (30 points); 2) Project financials (30 points); 3) Project design and conformance with RFP guidelines, City development standards and neighborhood character (30 points); and 4) Local business preference (10 points). Among the four proposers, two development teams, The Bakewell Company/Century Housing Corporation and Southern California Housing/Union Station/Triad Ventures received the highest average score (71.0 and 70.7, respectively, out of a possible 100 points). The average score by evaluation criteria for each developer, as well as the overall score results, are shown in the following tables:

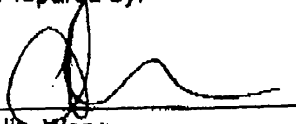
Review Team -- Average Scores by Evaluation Criteria

	Bakewell Company/Century Housing Corp.	Heritage Housing/LA Community Design Center	Renaissance Oak	Southern California Housing/Union Station/Triad Ventures
Capacity	20.7	16.0	18.8	24.0
Financials	20.5	16.7	21.5	23.2
Design	19.8	18.3	19.5	13.5
Local Business	10.0	10.0	10.0	10.0
Average Score	71.0	61.0	69.8	70.7

Based upon the results of the Review Teams evaluation, staff recommends that the top two proposers -- The Bakewell Company/Century Housing Corporation and Southern California Housing/Union Station/Triad Ventures -- be designated as developer finalists in the Heritage Square Request For Proposals competition and undergo further evaluation over the next 30 days. Staff will assess the development teams and their project proposals against specific evaluation criteria. This evaluation criteria will include defining the exact number of senior and non senior units, the number of for sale vs. rental housing, the amount of family housing, the location of the family

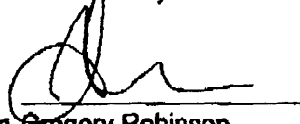
housing, better defined proforma's, reemphasizing the total City contribution (the land or value of the land only), and other areas of clarification as instructed by Council. At the end of the 30-day period, during which time staff will evaluate this information, this item will be brought back to the Commission with a single recommendation for approval to enter into an Exclusive Negotiation Agreement.

Prepared by:



Jim Wong
Senior Project Manager
Housing and Community Development

Reviewed by:



FOR Gregory Robinson
Housing & Community Development Administrator