

DATE: December 10, 2007

TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION

FROM: CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER

SUBJECT: HERITAGE SQUARE PROJECT; RFQ PROCESS; SELECTION OF DEVELOPER FOR EXCLUSIVE NEGOTIATIONS

RECOMMENDATION:

1. It is recommended that the Pasadena Community Development Commission (Commission) enter into an Exclusive Negotiation Agreement with Retirement Housing Foundation for the Heritage Square Project.
2. It is recommended that the Commission consider the community comments on the proposed concept design of the Heritage Square project and adopt the proposed concept for the site as shown in Attachment D.
3. It is recommended that Staff return to the Commission within 180 days with a staff recommendation regarding the terms and conditions of a development and financing agreement.

BACKGROUND:

The development site for Heritage Square is located at the northeast corner of Fair Oaks Avenue and Orange Grove Boulevard, a major neighborhood commercial intersection in Northwest Pasadena. It is comprised of 10 contiguous parcels totaling 2.82 acres. Eight of the parcels were acquired by the Pasadena Community Development Commission in February 2004. Consistent with Commission direction, the site formerly occupied by Brown AME Church (19-25 East Orange Grove Boulevard) was acquired in May 2007. Negotiations continue for the acquisition of the final remaining parcel located at 710-722 North Fair Oaks Avenue.

At the meeting of the Commission of October 1, 2007, the Commission approved the herein described RFQ process and instructed staff to return to the Commission with a recommendation.

RFQ EVALUATION & RECOMMENDATIONS:

As directed by the Commission on October 1, 2007, an RFQ was issued on October 11, 2007 and was sent to all of the developers registered with the City. Following the release of the RFQ, a pre-submission conference was held on October 22, 2007, which was followed by a physical tour of the subject development site. On the closing date of November 13, 2007, a total of six (6) submissions were received in response to the City's RFQ. The development teams that responded are as follows:

12/10/2007

8. B.

AMCAL Housing
Bakewell Company/Simpson Housing Solutions
BRIDGE Housing
Gangi Development/Trademark Development
Renaissance Oak, L.L.C.
Retirement Housing Foundation

Information concerning each of the respondents is attached as ATTACHMENT A.

Following receipt of the proposal submissions, a thorough review was conducted by Housing staff to determine that the proposals were complete. The review determined that all six submissions were deficient in one or more areas. After consulting with the City Attorney, it was decided to provide all respondents with additional time to cure the deficient portions of their submissions. A letter was sent on November 16, 2007 advising that additional time was being provided to allow all respondents an opportunity to review submissions for completeness based on the criteria contained in the RFQ. The letter, which extended the submission deadline to 5:00 p.m. on November 21, 2007, was transmitted electronically as well as by facsimile and US Postal service. All respondents with the exception of Gangi/Trademark elected to take advantage of the extended deadline to supplement original proposals. The letter also informed the respondents of the oral presentation/interview component of the evaluation process, scheduled on November 26, 2007.

Submissions were carefully reviewed by a Selection Review Committee composed of the following individuals:

Sylvia V. Ruiz, Interim Housing Manager, City of Pasadena
Paul J. Silvern, Partner, H R & A Advisors
Steven W. Wraight, AIA, Wraight Architects

Background information concerning each of the members of the Selection Review Committee is attached as ATTACHMENT B.

The reviews of the proposal submissions by the Review Committee were conducted on November 16th and 20th. Before initiating the proposal review, the members discussed and agreed on evaluation criteria based on the RFQ requirements and the point allocation for each criterion. An initial score was assigned pending revision, if warranted, upon receipt of supplemental information. The supplemental documentation received on November 21, 2007 was sent electronically to the members of the Review Committee. The initial scores for the written submissions were revised as warranted based on the supplemental information.

The oral interviews of all respondents were conducted on November 26, 2007. Each respondent was provided twenty minutes for a presentation followed by a question and answer period conducted by the Review Committee. An independent observer, Connie Chung, Attorney at Law, Housing Rights Center, was present for each of the interviews.

At the conclusion of the interviews, the Review Committee met to total the scores for the written submission and the oral interview. The scores were weighted at 70% for the written submission and 30% for the oral interviews.

The following are the rankings based on a combined score of both the written submission and the oral interview:

Development Team	Submittal Score (70% Weight)	Interview Score (30% Weight)	Total Weighted Score (100 Max)	Ranking
Retirement Housing Foundation	60	20	80	1
BRIDGE Housing	53	26	79	2
Bakewell/Simpson Housing	55	22	77	3
AMCAL Housing	55	19	74	4
Renaissance Oak, LLC	52	22	74	4
Gangi/Trademark	41	24	65	5

Copies of the scoring sheets are attached as ATTACHMENT C.

Based on the scores as presented, the Review Committee recommends Retirement Housing Foundation as the developer to enter into an Exclusive Negotiation Agreement for a period of 180 days with the Commission. However, it should be noted that any of the five teams (ranked 1-4) could successfully build the proposed development as evidenced by the small margin of difference between the scores.

PROJECT CONCEPT:

At the meeting of the Commission of October 1, 2007, staff presented to the Commission the attached project concept (ATTACHMENT D), for their review. The Commission acknowledged their general support for the project design and instructed staff to return to the community to continue to vet the design. The proposed design concept will develop 136 units of housing on the site. These units will include 89 units of rental senior affordable housing, 32 units of for sale market senior housing units, 15 family townhomes, 20,000 sq ft of commercial space and 2,000 sq ft of community space. The Commission also agreed with the staff recommendation that no affordable family units be included in the project design.

On November 15, 2007, the Northwest Commission and the Fair Oaks PAC held a joint meeting to consider the proposed design of the Heritage Square development. The comments received at his meeting are discussed below. An attempt was made to present the design concept to the Community Development Committee. However, a quorum of the Committee could not be obtained and no such meeting occurred.

At the joint meeting of the Northwest Commission/ Fair Oaks PAC, Assistant City Manager Brian Williams and the project concept architect, Steven Wraight AIA, described the project and elicited comments from those in attendance. As in past meetings, there was general support for the concept; however, a number of concerns were raised. These concerns included the following:

- There was a desire that there be “essential” services on site. These essential services should include a potential police substation and a dialysis center.
- All of the senior units should be ADA compliant.
- There should be a designated pick up/drop off area in the front of the complex for emergency vehicles, delivery trucks and other persons who might need to utilize the area.
- A drive thru for the Church’s chicken should be part of the site.
- There should be 2 bedroom units at the site to allow senior couples who might need separate bedrooms to live together.
- There should be larger living units with more living space. Emphasis on larger living rooms
- There should be a covenant to protect the seniors
- All of the units should be subject to the same requirements; the lower income and seniors should not be in danger of being evicted if their relatives (children) are selling drugs while the same activities are occurring in the affordable units.
- There should be a sound buffer on Wheeler lane for existing housing.
- There should be a sound exit plan for seniors in the event of an earthquake or other emergency.
- Roomier closets

Staff informed those in attendance at the meeting that many of the issues discussed would be addressed as the design evolves and goes through the planning and permitting processes. Also, many of the requests (i.e., ADA requirements, shower access, wheelchair accessibility), are required to be addressed by local and federal law.

NEXT STEPS:

Upon approval of the recommendations by the Commission, the following activities will take place:

1. A request will be directed to the City Attorney to prepare the draft Exclusive Negotiation Agreement (“ENA”).
2. The Selection Review Committee shall convene to review and comment on the ENA.
3. The ENA shall be transmitted to the developer for review and approval.
4. The developer-approved ENA shall be transmitted to the City Manager for final approval.

5. Exclusive negotiations shall commence between the Selection Review Team and the developer.

The matter shall return to the Commission within 180 days with a staff recommendation regarding the terms and conditions of a development and financing agreement.

FISCAL IMPACT:

The Commission has invested \$8.6 million to purchase the property for the Heritage Square project. This investment would remain in the project as the City's contribution in exchange for 89 affordable rental housing unit covenants.

Respectfully submitted,



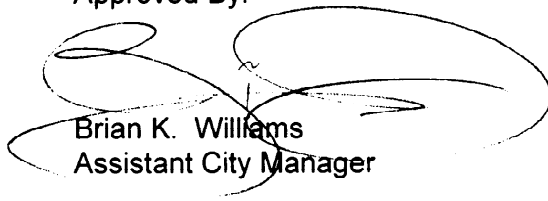
Cynthia J. Kurtz
Chief Executive Officer

Prepared By:



Sylvia V. Ruiz
Interim Housing Manager

Approved By:



Brian K. Williams
Assistant City Manager