

PROCUREMENT SUMMARY

MARIACHI PLAZA JOINT DEVELOPMENT PROJECT/PS3972200

| | | |
|----|--|--|
| 1. | RFP Number: PS39722 | |
| 2. | Recommended Vendor: East LA Community Corporation | |
| 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: 2 |
| 6. | Contract Administrator: Walter Sparkuhl | Telephone Number: (213) 922-7399 |
| 7. | Project Manager: Nicole Velasquez | Telephone Number: (213) 922-7439 |

A. Procurement Background

This Board Action is to approve an Exclusive Negotiation Agreement and Planning Document (ENA) with East LA Community Corporation (ELACC) for the development of 1.08 acres of Metro-owned property at the Mariachi Plaza Station (Site). Board approval of contract awards are subject to resolution of any properly submitted protest(s).

The 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 two proposals were received on June 29, 2017.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro, the Community-Based Organization (CBO) Leadership for Urban Renewal Network (LURN) and an independent member of the Boyle Heights community, 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.

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

1. Cesar Chavez Foundation (CCF)
2. East LA Community Corporation (ELACC)

On September 29, 2017, the PET met and interviewed the firms. 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

ELACC

ELACC is a 501(c) (3) nonprofit and Community-Based Organization founded in 1995. ELACC provides affordable housing, community services, community organizing, and wealth building services to over 2000 residents. Since 1995, ELACC has developed and now owns 731 units of affordable rental housing with 504 units in the pipeline.

CESAR CHAVEZ FOUNDATION

The Cesar Chavez Foundation (CCF) is a California 501(c)(3) non-profit corporation and submitted a proposal with its wholly-owned subsidiary, Vista Del Monte (VDM), also a California 501 (c)(3) non-profit corporation. CCF has over 40 years of experience and has completed over 300 single-family homes for sale to low-income

households and over 4,000 affordable multi-family units throughout sites in California, Arizona, New Mexico and Texas.

Summary of Proposed Development Programs¹

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

| | ELACC | CCF |
|------------------------------|--------------|------------|
| Residential Units (#) | 60 | 80 |
| # units 30% AMI | 30 | 10 |
| # units 35% AMI | | 6 |
| # units 40% AMI | | 8 |
| # units 45% AMI | | 10 |
| # units 50% AMI | 28 | 12 |
| # units 60% AMI | - | 33 |
| Manager's unit | 2 | 1 |
| Bedrooms | | |
| 0 | 26 | 32 |
| 1 | 19 | 36 |
| 2 | 8 | 11 |
| 3 | 7 | 0 |

Non-Residential Uses

| | ELACC | CFF |
|--------------------------|--------------|------------|
| Retail/Dining (SF) | 6340 | |
| Cultural Center (SF) | 2035 | 8500 |
| Community Room (SF) | | 2000 |
| Parking (on-site spaces) | 54 | 84 |
| Bicycle Spaces | 84 | 104 |
| Public Park (SF) | 6000 | 6072 |

Summary of Proposed Funding and Financial Terms²

Each proposer was required to submit the anticipated sources of proposed project funding. Proposers were also required to submit a financial offer to Metro which included key financial information such as ENA fee, lease period, rents at all stages

¹ The Development Program is based on proposal submissions. The recommended proposal is preliminary and subject to change during the transaction negotiation.

² The Funding and Financial Terms are based on proposal submissions. The recommended proposal is preliminary and subject to change during the transaction negotiation. The Board will consider final terms as part of the proposed Ground Lease approval.

of development, and any other terms proposers would like to offer. These are summarized below.

Funding Sources Ratios

| | ELACC | CCF |
|-------------------------------|---------------------|---------------------|
| Equity | \$100 | \$2,367,520 |
| Conventional Debt | \$1,945,235 | \$1,632,880 |
| Competitive Grants | \$25,637,894 | \$25,790,835 |
| Total Development Cost | \$27,583,229 | \$29,791,235 |

Summary of Proposed Financial Terms

| | ELACC | CCF |
|---------------------------------|--|---------------------------------------|
| Ground Lease Term | 55 years plus one 10 year option | 65 years |
| Upfront Payment | \$1.2M at execution of Ground Lease | \$2M at execution of Ground Lease |
| ENA Fee | \$50,000 | \$50,000 |
| Holding/ Construction/ Lease-Up | \$42,803 | Yes, amount not specified |
| Potential Additional Rent | \$25,000 at beginning of 1 st YR of operations, escalating at 3.5% per annum; 33% of available residential cash flow, 33% of available commercial cash flow | 25% of residual cash flow |
| Participation Sale/Refinance | 33% net proceeds upon refinancing | 20% of Developer Fee upon refinancing |

A summary of the PET's scores is below.

| 1 | East LA Community Corporation | Average Score | Factor Weight | Weighted Average Score | Rank |
|-----------|---|----------------------|----------------------|-------------------------------|-------------|
| 2 | Vision, Scope and Design | 82.84 | 35% | 28.99 | |
| 3 | Development Team, Experience & Financial Capacity | 81.58 | 30% | 24.47 | |
| 4 | Financials | 70.84 | 20% | 14.17 | |
| 5 | Implementation | 83.75 | 15% | 12.56 | |
| 6 | Total | | 100% | 80.19 | 1 |
| 7 | Cesar Chavez Foundation | | | | |
| 8 | Vision, Scope and Design | 74.41 | 35% | 26.04 | |
| 9 | Development Team, Experience & Financial Capacity | 72.50 | 30% | 21.75 | |
| 10 | Financials | 74.60 | 20% | 14.92 | |
| 11 | Implementation | 77.50 | 15% | 11.63 | |
| 12 | Total | | 100% | 74.34 | 2 |

C. Background on Recommended Developer

The recommended firm, East LA Community Corporation (ELACC), is a CBO and 501(c)(3) nonprofit corporation located in the Boyle Heights community in the City of Los Angeles. ELACC has been in business since 1995 and is a well-established leader in community development. The organization provides affordable housing, community services, community organizing, and wealth building services to over 2,000 residents. ELACC's track record includes leveraging over \$135 million of investment, and houses over 1,000 residents in safe, habitable, and affordable housing throughout Boyle Heights and East Los Angeles. The firm mobilizes a community organizing base of over 1,300 members annually, and has helped over 3,000 families purchase their first homes, avoid foreclosure, establish savings, and build and sustain wealth. ELACC has increased the supply of quality affordable housing by building and/or rehabilitating multi-family housing for very-low and low-income households in Boyle Heights, Unincorporated East Los Angeles, and other Latino communities.

The development team also includes Y&M Architects who has worked on projects totaling over 11,000 units. AMJ Construction Management Services would provide construction management support and has over 30 years of experience. Entitlement services would be provided by QES, Incorporated who has provided services to Los Angeles area developers for over 30 years. The team also includes John Stewart Company who has provided property management services to affordable housing projects since 1978. Community-based non-profit organizations CALO YouthBuild

and Jovenes, Inc. will provide services and community programs as members of the project team.

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. ELACC did not commit to SBE/DBE or DVBE participation in its proposal. However, ELACC committed to both Veteran Subcontractor Hiring and Veteran Employee Hiring in the delivery of the project.