City Council of
May 10, 2011

Honorable Mayor and Members
of the City Council of the City of Torrance
City Hall
Torrance, California

SUBJECT: **Community Development – Authorize approval to enter into an Exclusive Negotiation period with Meta Housing Group for the development of mixed-use workforce housing at 1640 Cabrillo Avenue.**

Expenditure: Not Applicable

RECOMMENDATION

Recommendation of the Community Development Director that the City Council authorize and approve the City of Torrance to enter into an Exclusive Negotiation period with Meta Housing Group for the development of mixed-use workforce housing at 1640 Cabrillo Avenue in accordance with the 5-Year Implementation Plan for the Downtown Redevelopment Project area.

BACKGROUND AND ANALYSIS

In October 2009, the City of Torrance Redevelopment Agency acquired the property located at 1640 Cabrillo Avenue in the Downtown Redevelopment Project Area using Low-Moderate Income Housing Set-Aside funds. The purpose of the acquisition was for the development of a mixed-use workforce housing project. The 0.85 acre site currently serves as the base of operations for Class Termite and Pest Control, Inc., and was selected for its importance in the revitalization of the Downtown. On November 9, 2010, it was determined by the Redevelopment Agency that the release of a Request for Proposals (RFP) would ensure the highest quality outcome while maintaining compatibility with the City's redevelopment and housing goals (Attachment A). The selection of a top-rated proposal to begin Exclusive Negotiations with the Redevelopment Agency comes as the next step in the RFP process.

The Request for Proposals was mailed out to interested prospective developers on November 10, 2010, and subsequently posted online and in the Daily Breeze. A pre-submission meeting was held with prospective development teams on Monday, December 6th, and proposals were collected at 2:00 P.M. on January 13, 2011. Seven eligible proposals were submitted from the following development teams:

- AMCAL Multi-Housing
- American Communities, LLC
- LINC Housing

- Meta Housing Corporation
- National Community Renaissance
- RELATED/ Mar Ventures, Inc.
- ROEM Corporation

A selection committee made up of City staff was formed to review and score all eligible proposals. Participants in the selection committee were chosen to represent a diverse skill set with the goal of selecting the proposal most responsive to the needs of the Agency.

The committee was comprised of five (5) members:

- Brian Sunshine, Assistant to the City Manager
- Felipe Segovia, Building Regulations Administrator
- Ken Flewellyn, Assistant Finance Director
- Carolyn Chun, Senior Planning Associate, Redevelopment
- Marina Martos, Planning Assistant, Redevelopment

Following an internal review period where the team had an opportunity to review the proposals, interviews with each development team were conducted February 28th and March 1st. A second round of interviews was held on March 15th in an effort to obtain more details from a select group of proposers who best met the goals of the proposed project site.

The selection committee has identified the proposal submitted by Meta Housing Corporation (Meta) as the most compatible with the needs and development goals of the Agency. Meta has an extensive portfolio with experience in multi-family, affordable, and mixed-use developments similar in kind and scale to the development parameters for 1640 Cabrillo Avenue. Meta's proposal outlines a visually appealing and compatible development in size and unit mix. As such, it is the opinion of the selection committee that Meta's proposal will be most appropriate for the Downtown.

The proposal submitted by Meta includes approximately 4,480 square feet of ground floor commercial space, and 45 workforce housing units (fifteen (15) one-bedroom units, sixteen (16) two-bedroom units and fourteen (14) three-bedroom units). The project's total development cost is estimated at $15.45 Million, or approximately $343,000 per unit. The proposal anticipates a City contribution of $4.5 Million from Low-Moderate Income Housing Set-Aside funds inclusive of a loan to purchase the land, which was valued at $2.2 Million at the time of Agency acquisition. The proposal also anticipates a City contribution of $500,000 to subsidize the commercial development portion of the project. The City of Torrance General Plan anticipates a maximum density of 45 dwelling units to the acre for properties with a land use designation of Commercial Center. It should be noted that figures listed in the proposals are estimates and are subject to change based on a current property value assessment, the actual amount of tax credit funds allocated to the project, and other financing variables. As workforce housing tax credits are competitive, the actual amount of Agency funds needed to close

the gap will be determined after tax credits are awarded. It is the opinion of the selection committee that Meta's experience securing tax credits positions this proposal to be highly competitive for funds.

Staff estimates negotiations to last no longer than 90 days. If an agreement is reached upon the close of the Exclusive Negotiation Period, a development contract will come before the Agency and Council for final approval. Meta's proposal estimates 26 months are needed from the time the RFP is awarded until the development is completed.

Upon the completion of the Exclusive Negotiation Period, a development contract will come before the Agency and City Council for final approval. Community Development staff recommends that the City Council authorize the approval for the City of Torrance to enter into Exclusive Negotiations with Meta Housing Corporation for the development of mixed-use workforce housing at 1640 Cabrillo Avenue.

Respectfully submitted,

Jeffery W. Gibson
Community Development Director

By _____
Ted Semaan
Planning Manager
Redevelopment & General Plan

CONCUR:

_____
Jeffery W. Gibson
Community Development Director

_____
LeRoy J. Jackson
City Manager

Attachment:
A. Redevelopment Agency Agenda Item 4A from11/09/2010

ATTACHMENT A

Redevelopment Agency Meeting of
November 09, 2010

Agency Agenda Item 4A

Honorable Chairman and Members
of the Redevelopment Agency
City Hall
Torrance, California

Members of the Agency:

SUBJECT: Redevelopment Agency - Review for release of the Request for Proposals document for the development of the property located at 1640 Cabrillo Avenue.

RECOMMENDATION

Recommendation of the Deputy Executive Director that the Redevelopment Agency approve the release of the Request for Proposals document in order to proceed with the development of a mixed-use workforce housing building on the property located at 1640 Cabrillo Avenue.

BACKGROUND AND ANALYSIS

The Request for Proposals (RFP) discussed herein pertains to the site purchased by the Redevelopment Agency in October of 2009, and the release of the RFP is the next step necessary in the development of the site. The property, located at 1640 Cabrillo Avenue, is located within the Commercial Sector of the Downtown Redevelopment Project Area and was acquired using Low-Moderate Income Housing Set-Aside funds. Class Termite and Pest Control, Inc., currently occupies the site and is on a month-to-month lease with the Agency. The Downtown Redevelopment Project Area (DRP) Development Standards Commercial Sector allows residential uses as part of mixed-use development projects. In accordance with the 2008-2012 City of Torrance Redevelopment Agency Five-Year Implementation Plan, the subject property has been identified as a potential site for the development of approximately 30-40 workforce housing units utilizing Housing Set-Aside funds.

Agency staff believes that the release of an RFP for the development of the site will help ensure a high-quality end-product that is consistent with the development standards and architectural character of the Downtown. The attached RFP describes the characteristics of the site, detailed development parameters, as well as the evaluation criteria that will be used to rank and select the proposal that best meets the needs of the City. Completed proposals will be due by Tuesday, January 11, 2011, giving

developers ample time to prepare a highly responsive proposal. The submitted proposals will then be reviewed by a committee according to the evaluation criteria set forth in the RFP. The proposals will be given points for responsiveness in each of the categories, and will be ranked in order before final selections are made. The RFP process will culminate in an Exclusive Negotiation Agreement with the approved developer with the goal of entering in to a Disposition and Development Agreement to develop the property. Following the review and selection process, City Staff will present the top-ranked proposal to the Redevelopment Agency for their consideration and approval, where the selected developer will be present to respond to questions and commentary.

Redevelopment Agency Staff recommends that the Agency agree to the release of the RFP in order to solicit proposals for a mixed-use workforce housing project at 1640 Cabrillo Ave.

Respectfully submitted,

Jeffery W. Gibson
Deputy Executive Director

By _____
Ted Semaan
Planning Manager
Redevelopment & General Plan

CONCUR:

_____
Jeffery W. Gibson
Deputy Executive Director

_____
LeRoy J. Jackson
Executive Director

Attachment:
1. Request for Proposal

ATTACHMENT A

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP2010-***

Request for Proposal for Cabrillo Mixed-Use Workforce Housing Development

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PROPOSAL SUBMITTAL INFORMATION

PLACE: CITY OF TORRANCE
Office of the City Clerk
3031 Torrance Blvd.
Torrance, CA 90503

DEADLINE: 5:00 PM

DATE: Tuesday, Jan. 11, 2011

The ***ORIGINAL, PLUS FIVE (5) PRINT COPIES*** of the PROPOSAL as well as one (1) digital version on a cd must be submitted in a sealed envelope and marked with the RFP number and title

PROPOSALS MAY BE MAILED OR HAND DELIVERED. NO FAXED PROPOSALS WILL BE ACCEPTED. LATE PROPOSALS WILL NOT BE ACCEPTED.

All responses must include the following components:

- Proposer's Response (Section III of this document). You must submit your response on the forms provided. (If additional space is required, please attach additional pages.)
- Proposer's Affidavit (Attachment 1)

Any questions regarding this proposal should be directed to:

Jeffery W. Gibson
Community Development Department
(310) 618-5990

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP2010-***

Request for Proposal for Cabrillo Mixed-Use Workforce Housing Development

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SECTION I RFP INSTRUCTIONS AND INFORMATION

Notice is hereby given that sealed proposals will be received in the office of the City Clerk, City Hall, 3031 Torrance Boulevard, Torrance, CA, until 5:00 p.m. on Tuesday, Jan. 11, 2011. An original and five copies of each proposal as well as one digital version on a cd must be submitted in a sealed envelope and clearly marked: "PROPOSAL FOR 1640 Cabrillo Mixed-Use, RFP2010-***."

Proposal Form:

The proposal must be made on the form provided for that purpose, enclosed in a sealed envelope, and marked "Proposal for 1640 Cabrillo Mixed-Use RFP2010-***") and addressed to the City Clerk, City of Torrance, 3031 Torrance Blvd. Torrance CA. 90503. If the proposal is made by an individual, it must be signed by that individual, and an address, telephone (and fax number if available) must be given. If made by a business entity, it must be signed by the person(s) authorized to execute agreements and bind the entity to contracts. A full business address, telephone (and fax number if available) must be given. No telegraphic, fax or telephonic proposal will be considered.

Blank spaces in the proposal form must be filled in, using ink, indelible pencil, or typewriter, and the text of the proposal form must not be changed. No additions to the form may be made. Any unauthorized conditions, limitations, or provisos attached to a proposal will render it informal and may cause its rejection. Alterations by erasure or interlineations must be explained or noted in the proposal form over the signature of the Proposer.

Reservation:

The City reserves the right to revise or amend these specifications prior to the date set for opening proposals. Revisions and amendments, if any, will be announced by an addendum to this RFP. If the revisions require additional time to enable Proposers to respond, the City may postpone the opening date accordingly. In such case, the addendum will include an announcement of the new opening date.

All addenda must be attached to the proposal. Failure to attach any addendum may render the proposal non-responsive and cause it to be rejected.

The City Council reserves the right to reject any and all proposals received, to take all proposals under advisement for a period not to exceed ninety (90) days after the date of the opening, to waive any informality on any proposal, and to be the sole judge of the relative merits of the material and or service mentioned in the respective proposals received. The City reserves the right to reject any proposal not accompanied with all data or information required.

This Request for Proposal (RFP) does not commit the City to award a contract or to pay any cost incurred in the preparation of a proposal. All responses to this RFP document become the property of the City of Torrance.

Affidavit:

An affidavit form is enclosed. It must be completed signifying that the proposal is genuine and not collusive or made in the interest or on behalf of any person not named in the proposal, that the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a sham proposal or any other person, firm, or corporation to refrain from proposing, and that the Proposer has not in any manner sought by collusion to secure for itself an advantage over any other Proposer. Any proposal submitted without an affidavit or in violation of this requirement will be rejected.

The Contract:

The Proposer to whom the award is made will be required to enter into a written contract with the City of Torrance, in the form attached. A copy of this RFP will be attached to and become a part of the contract.

Standards for Evaluation of Proposals:

The City staff will use the following priorities, as well as pricing, in determining which proposal best meets the needs of the City. The City must be the sole determiner of suitability to the City's needs.

Proposals will be rated according to their completeness and understanding of the City's needs, conformance to the requirements of the technical specifications, prior experience with comparable proposals, financial capabilities, delivery, and cost.

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP2010-***

Request for Proposal for Cabrillo Mixed-Use Workforce Housing Development

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SECTION II TECHNICAL REQUIREMENTS

Introduction:

The following technical requirements describe the purpose and scope of development sought by the City of Torrance Redevelopment Agency.

This RFP is intended to be as descriptive as possible. However, Proposers may not take advantage of omissions or oversights in this document. Proposers must supply products and services that meet or exceed the requirements of this RPF. In the event of a dispute over installation or performance, the needs of the City of Torrance will govern.

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Request for Proposals
Mixed Use Workforce Housing Development Site
Torrance Redevelopment Agency

Summary of Offering

Site Description	• 1640 Cabrillo Ave. – between Double St. and Carson St. • Approximately 34,800 sq. ft. in size (0.8 acres)
Development Objective	• Development of a mixed use workforce housing complex that compliments the surrounding uses and architectural styles.
Entitlements	• Site is zoned as Downtown Redevelopment Project (DRP) • General Plan designation is Commercial Center (C-CTR)
Requested Developer Services	• Plan, design, finance, construct and operate/manage the mixed use development.
Developer Selection Process	• Submission of proposals • City Staff reviews proposals • City Staff presents selection to Agency Board with selected developer present.
Exclusive Negotiation	• Exclusive Negotiation Agreement (ENA).
Proposals Due	• **Tuesday, Jan. 11, 2011 by 5:00 pm** Office of the City Clerk 3031 Torrance Boulevard Torrance, CA 90503.
Agency Contact	• Jeffery W. Gibson, Community Development Director, Jgibson@torranceCA.gov 310-618-5990

[FINAL RFP FOR 1640 CABRILLO]

1: INTRODUCTION AND BACKGROUND

Overview

The Redevelopment Agency (the "Agency") of the City of Torrance (The "City") is seeking proposals from qualified and experienced developers for the development of a mixed-use workforce housing project on an Agency-owned lot (The "Site"). The Site is 0.8 acres and is located at 1640 Cabrillo Avenue in the City's Downtown Redevelopment Area.

The intent of this Request for Proposals (RFP) is to select a single corporate entity or partnership for the construction and management of a mixed-use workforce housing development. Successful proposals will demonstrate developer's experience, creativity and the financial capability necessary to work with the Agency and the City in order to develop the Site. The use of the Site shall be a mixed-use development that provides units of Low- and Very Low-income rental housing with retail uses on the ground-floor. This RFP describes the site background, a more detailed description of the general type of development sought by the Agency, the process and criteria that will be used to select a developer, and the submission requirements to be followed by those responding to this request.

Once the proposals have been reviewed and evaluated based on the criteria described under Section 7, the Agency intends to enter into an Exclusive Negotiation Agreement (ENA) with the developer whose proposal is most responsive. The terms established during the time of the ENA will be included in a Disposition and Development Agreement (DDA) which will govern the dynamics of the relationship between the Agency, the developer and the development of the property.

2. SITE BACKGROUND

Site Context

The City of Torrance has a population of approximately 150,000 people and an area of 20.5 square miles. Located south of Downtown Los Angeles in the South Bay region, Torrance is bordered by Lawndale and Gardena to the North, Carson to the East, Lomita, Palos Verdes Estates and Rolling Hills Estates to the South, and Redondo Beach and the Pacific Ocean to the West. The City of Torrance is served by two major freeways, the San Diego Freeway (I-405) which runs through the North Eastern portion of the City and the Harbor Freeway (I-110), located just South East of the City borders. In addition, Torrance is conveniently located between the Ports of Los Angeles and Long Beach approximately 8 miles to the South and the Los Angeles International Airport ("LAX") approximately 7.5 miles to the North.

The City of Torrance has three current Redevelopment Areas within its borders: the Skypark Project Area, the Downtown Project Area and the Industrial Project Area. The proposed development site lies within the Downtown Redevelopment Project Area ("DRP") which was established in 1979. The DRP encompasses 88.5 acres and includes the original commercial core of the City, which was designed in 1912 by Frederick Law Olmsted, Jr. of the Olmsted Brothers. Currently, the area is experiencing a renaissance

with the development of and reinvestment in the Downtown Commercial area. In 1986, the Agency allocated $200,000 in bond revenues to establish the Commercial Rehabilitation Program to help property owners and businesses make needed improvements to the exterior of their buildings. Numerous buildings have been renovated in Downtown and the additional $40,000/year budgeted towards the Program will continue to encourage property owners and businesses to upgrade deteriorating structures.

Major Developments in the Downtown Redevelopment Project Area include the rehabilitation of the El Prado Apartments, which contained 26 aged and deteriorated rental housing units, and the Historic Downtown Torrance Mixed Use Project. The Mixed Use Project consists of the Brisas Del Prado market rate housing (85 DU/acre), the Brisas Del Sol affordable housing (96 DU/acre), which both offer for-sale condo units, the Plaza Del Prado which is 2 stories (29,873 sq. ft.) of retail and a subterranean parking garage that includes 75 spaces of Public Parking.

The Site

The Site is located at 1640 Cabrillo Avenue in Torrance, CA. The property consists of approximately 0.8 acres of land with about 10,000 square feet of office, maintenance and storage building space, and the remaining areas used for storage and surface parking. The Site grounds are predominantly paved with either concrete or asphalt. The current use of the property is as the base of operations for Class Termite and Pest Control, Inc. which dates back to approximately 1980. Prior to 1980, the property was used as a car dealership.

The elevation of the site is approximately 75-feet above average sea level. The topography of the Site slopes slightly towards the east and surrounding properties are of a relatively similar elevation.

Soil Conditions

The soil consists of light brown to brown sandy clay down to approximately 30 feet below ground surface (bgs). The Gage Aquifer is located approximately 50 to 85 feet bgs in the Site area. Based on the local topography, groundwater flow in the area is estimated to be to the Southeast.

A Phase I report commissioned by the Agency found two recognized environmental conditions in connection with the subject property. The first is the existence of two abandoned underground storage tanks which could potentially contaminate the soil and groundwater. The second is the existence of an inactive hydraulic lift in the service bay of the property. While the lift has not been used in over 30 years, the use of Polychlorinated biphenyls (PCBs) in hydraulic fluid prior to its ban in the 1970s allows for the potential that the hydraulic lift may be "PCB containing."

A Limited Phase II Environmental Site Assessment was done to assess the potential for subsurface contamination in the areas of one undocumented hydraulic lift and two undocumented underground storage tanks. Soils samples were collected and analyzed for Polychlorinated Biphenyl's (PCBs), Hydraulic Oil, CAM 17 Metals, Volatile Organic Compounds (VOCs), Total Petroleum Hydrocarbons (TPH) full carbon chain (CC) and Total Recoverable Petroleum Hydrocarbons. The study found that there was no trace of

PCBs in the soil above laboratory detection levels. The soil samples did find a concentration of hydraulic oil in one of the soil samples at a shallow level, which would be associated with minor staining of the top soil. Trace amounts of Title 22 metals were detected, however concentrations were well below allowable limits for State and Federal requirements. Tetrachloroethen (PCE) was reported in one soil sample. According to the Phase II Assessment, PCE in shallow soil may be associated with a minor release to the surface.

These reports are available upon request from the City of Torrance Community Development Department. The Agency intends to negotiate the ENA with the site "as is" with respect to the physical, environmental and regulatory condition of the Site, including but not limited to any liabilities for remediation of toxic materials that may be found on the Site. The selected developer will be responsible for satisfying itself as to the level of the Site's environmental condition and suitability for the proposed development.

Zoning/Land Use Restrictions

The Site is zoned as DRP (Downtown Redevelopment Project) with a General Plan Designation of C-CTR (Commercial Center) and a density designation of 43 units to the acre. The maximum building height shall be regulated by the Building Code of the City of Torrance; however the buildings in the general vicinity do not exceed 45 feet for wood frame construction. Land uses typically allowed in commercial sectors are permissible in the Downtown Redevelopment Project Area. Prohibited Uses include: Adult book stores, adult motion picture theaters, adult mini-motion picture theaters, sexual paraphernalia stores, junk yards, used auto parts yard/auto repair shops, and manufacturing uses excluding custom manufacturing. Additional detail on the types of allowable/prohibited land uses can be found in the Development Standards and Review Procedures for the DRP.

The Development Standards and Review Procedures for the Downtown Redevelopment Project can be found at: http://www.torranceca.gov/PDF/DRP_Standards_2.pdf and http://www.torranceca.gov/Documents/Downtown_Torrance_Redevelopment_Project_Plan%281%29.pdf

3: DEVELOPMENT PARAMETERS

The Agency's intended use of the site is for a mixed-use development that provides units of Low- and Very Low-income workforce rental housing based on the Los Angeles County Area Median Income (AMI). Projects should strive for a high-quality, mixed use commercial and residential development that is compatible with the surrounding uses and architectural styles of the Downtown Area. Ideally, proposals should aim to provide 30 to 40 units and ground floor retail that covers no more than 25% of the Site's square footage and no less than 10%.

The Agency will evaluate the scope and appropriateness of each proposed development. However, developments shall meet all requirements of the State of California Community Redevelopment Law, Local City Ordinances, Agency Affordable Housing Development, and the Development Standards and Review Procedures for the Downtown Redevelopment Project.

The following are the parameters for development of the Site. However, strong proposals that demonstrate merit but exceed or deviate from the standards discussed below may still be considered:

1. **Site Control.** The Agency currently owns the Site. Developers should address in their proposals the dynamics and interaction they foresee between the developer and the Agency.

2. **Project Size.** The General Plan describes a density of 43 units to the acre.

3. **Unit Type.** Proposals should provide a range of unit types from one (1) to three (3) bedrooms. Agency staff will carefully review unit size and layout for livability.

A. **Affordability Requirements.** The Agency is requiring that the project be 100% affordable.

1. **Affordable Units**. Proposals should provide a mix of Low- and Very Low-Income housing based on the Los Angeles County AMI. It is up to the Developer to determine the ratio of Low- and Very Low- units to allow for the most competitive proposals for State and Federal Tax Credit Programs and to ensure project feasibility.

2. **Affordable Monthly Rents.** Affordable monthly rents are calculated by multiplying the (Los Angeles County) area income level by 30%, adjusting for household size, and dividing by 12. A household size of 3 is used to calculate the affordable housing cost for a 2 bedroom unit and a household size of 4.5 is used to calculate the affordable housing cost of a 3 bedroom unit.

3. **Term of Affordability**. The acquisition of the Site was funded through the Agency's Low and Moderate Income Housing Fund. Therefore, pursuant to the State of California Community Redevelopment Law, covenants to maintain the affordability of the units will be provided to the City/Agency by the developer. These covenants will be in effect for a term of ninety-nine (99) years.

B. **Occupancy Requirements**. All occupancy requirements shall be subject to provisions of the State of California Community Redevelopment Law and local housing regulations.

1. **Occupancy Limits per Unit.** Occupancy is set at a <u>maximum</u> of two persons per bedroom plus one.

2. **Income Levels.** Very Low-Income households are those that earn up to 50% of the Los Angeles County AMI, based upon family size. Low-Income households are those that earn between 50% and 80% of the Los Angeles County AMI, based upon family size.

C. **Design.** Architectural Design will be reviewed and approved by Agency staff in order to ensure that the project complies with the Agency's design and material guidelines and that the project both complements and enhances the surrounding area. In addition, design should provide linkages to the downtown commercial district with features that compliment the historic architecture found there and those that orient pedestrians

towards the commercial area. Site design will also be considered to ensure adjacent neighbors are not negatively impacted.

D. **Sustainability**. Sustainable design and construction is not required, but is desirable. Wherever possible, proposals should integrate sustainable approaches and technologies that will reduce the ecological footprint of the buildings and overall development. In addition, energy efficient fixtures and appliances should be utilized to reduce the long-term operational costs of the development. Proposals that include sustainable design in their development program will be given up to 10 bonus points for the purpose of evaluation.

E. **Planning and Zoning.** The Site is currently zoned consistent with the General Plan. The Agency will partner with the selected developer to seek appropriate entitlements from the City.

4. FINANCIAL TERMS

The Agency has used its Low- and Moderate-Income Housing Fund to acquire this property and will utilize the site with the selected developer for the provision of affordable housing under a 99-year covenant to maintain affordability levels. The terms established during the time of the Exclusive Negotiating Agreement will be included in a Disposition and Development Agreement which will govern the development of the property.

Financial assistance from the Agency will be determined based on the proposals submitted. Those proposals that maximize private financing and minimize public financial assistance will be considered more favorably.

5. SUBMISSION FORMAT AND CONTENT

Proposals submitted in response to this RFP shall include the information and materials listed bellow in the following format. Proposals that do not address all topic areas sufficiently will be deemed less responsive than those that do. Incomplete applications will not be considered for evaluation. It is the responsibility of the applicant to ensure completeness of their proposal.

Cover Letter

Include a cover letter indicating the nature and concept of the proposed project. The letter must include the company name, address, and name, telephone, fax and e-mail address of the person authorized to represent the proposing party.

Developer Information

- Provide a description of the development entity's business and length of operation.
- Describe the type of legal entity (corporation, joint venture, partnership, sole proprietor or other).

- List the officers, partners or owners of the development entity and percent ownership. Indicate the individuals in charge of negotiations as well as those in decision making roles.

- Provide resumes for all principals, project team members, and key individuals who would be involved in the project.

- Describe organization structure and management approach to the development entity, which includes lines of responsibility.

Relevant Experience

- Describe at least two projects completed by the development entity that most closely resemble the proposed project. For each project, include:
    - Project name, address and type of development
    - Size of project, cost of construction and development time line.
    - Type of involvement (owner, joint venture, manager, etc) and ownership pattern.
    - Description of entitlement process.
    - List of the project team members and their roles, including key consultants. Cite references for each project.
    - Photographs of the completed project which illustrate the quality of the development.

- Describe previous experience in management operations and ownership of facilities similar to that of the project proposed.

- Describe previous project marketing and leasing experience.

Financial Capability

Prior to entering into a DDA, the selected Developer will be required to submit their current financial statements, and any necessary information, in order to demonstrate the Development entity's financial soundness and the developer's ability to complete the project as described. If the Applicant wishes to keep financial information confidential, please indicate at the top of each "confidential" page.

Development Program

- Describe in no more than one page, the developer's view of the opportunities and constraints that the Site presents for development.

- Describe in no more than three pages the development concept and approach for the site. Include a clear description of the product type.

- Along with the narrative description, provide a graphic depiction of the proposed project consisting of a preliminary site plan and elevation. Overly detailed architectural renderings or glossy materials are not necessary for responses to this RFP.

- Provide a Business Plan and preliminary project proforma including:
    - Development cost budget for each component of the project, including estimates of site preparation costs, direct and indirect construction costs, and financing costs.
    - If Agency assistance is requested, please provide a detailed discussion and financial assessment as to why the assistance is necessary in order for the project to be feasible.
    - An estimate of projected income and operating expenses for each land use component, including rents for each unit type, vacancy rate, operating expenses, debt service and all distributions of remaining cash flow. Include any assumptions made regarding rents, vacancy rates, etc.
    - A twenty-year operating projection.
    - A complete sources and uses of funds table for both construction and permanent financing for each component of the project. The table should clearly indicate the amount of Agency financial assistance and the proposed repayment terms of such assistance.
    - This project may be subject to prevailing wages. Developers should keep this in mind when calculating development costs in their project proformas.

- Provide a detailed project development time line beginning with the execution of a DDA with the Agency and ending with the completion of the project. The project development timeline should clearly identify an estimated schedule for the following:
    - Completion of negotiations with the Agency under a DDA.
    - Receipt of Agency Board approval
    - Application for and receipt of entitlements
    - Start and completion of construction
    - Attainment of financing
    - Lease up schedule.

- Provide documentation of the proposed tenant mix.

- Provide evidence of interest from at least one bona fide commercial tenant.

Project Management

- State the time and personnel commitment developer proposes to commit to the implementation of the project.

- Identify the anticipated long-term management structure of the proposed project.

- Identify the architectural and engineering team proposed for use on the proposed project. Include their resumes and experience on similar projects, as well as at least two references for each firm.

- Provide at least three current references that have relevant knowledge concerning developer's ability to manage such a project. Relevant knowledge includes information

regarding: project management, community outreach, planning, marketing, and the ability to deliver projects and financing in established time frame.

Contingencies

Identify any major contingencies upon which the proposal is based. For example, receipt of funding from tax credits, extent of tenant pre-commitments, minimum rate of return required, etc.

6. SUBMISSION REQUIREMENTS

Registration

Parties interested in submitting a proposal are encouraged to contact Mr. Jeffery W. Gibson via email at: jgibson@torranceCA.gov or by phone at: 310-618-5990 to officially register as a Proposer for this specific project. While registration is not required, failure to officially register may result in Proposing Parties not receiving addenda or other related communication regarding the RFP. Failure to acknowledge addenda to the RFP may cause a proposal to be considered as "non-responsive." Registration information includes company name, address, phone, fax, contact person and email address.

Pre-Submission Meeting

A pre-submission meeting will be held at the Community Development Department, located at 3031 Torrance Blvd. Torrance, CA 90503 on Monday Dec. 6, 2010 from 10:30am -12:00pm. The purpose of the meeting is to ensure that all teams understand the Agency's intent for the development of the Site and the guidelines outlined in this RFP, to summarize the proposal procedures, requirements and project selection process, and to define the responsibility of the agency and the applicants. Questions raised at this meeting may be answered orally. If any substantive new information is provided in response to questions raised, the information will be documented in a written addendum to this RFP and distributed to all parties either at the meeting or to those that have officially registered. Although attendance is not mandatory, it is highly recommended.

Time and Place of Submission

Proposals physically due by: Tuesday, Jan. 11, 2011 by 5:00 pm
(Postmark Dates will not be accepted.)

Please include one (1) original and five (5) print copies as well as one (1) digital version on a CD clearly labeled with the Proposing Party's name and other identifying information. Proposals should be marked "PROPOSAL FOR 1640 Cabrillo Mixed-Use, RFP2010-***" in a sealed envelope or box and addressed to:

City of Torrance
Office of the City Clerk
3031 Torrance Blvd.
Torrance, CA 90503

Questions regarding the RFP should be directed to Mr. Jeffery W. Gibson via email at: Jgibson@TorranceCA.gov or by phone at: 310-618-5990. All questions and requests for additional information must be received in writing by mail, overnight delivery, fax, or e-mail on or before Thursday, Dec. 16, 2010.

Submissions are Final

No corrections or modifications to the proposal may be made after the due date.

Addenda

Changes to the RFP requirements will be made by written addendum. The Agency will not be bound by any oral explanations or instructions given at any time during the review process. Oral explanations become binding only when confirmed in writing by an authorized Agency official. Written responses to questions asked by one responder will be shared with the other responding parties.

Confidentiality of Submissions

All proposals, including all drawings, plans, photos, and narrative material, shall become the property of the Agency upon receipt by the Agency. The Agency shall have the right to copy, reproduce, publicize, or otherwise dispose of each proposal in any way that the Agency selects, subject to that portion of the proposal containing Confidential Material.

7. EVALUATION CRITERIA AND SELECTION PROCESS

Evaluation Criteria

The following criteria will be used to evaluate and rank proposals based on the information submitted in each of the categories listed in the SUBMISSION FORMAT AND CONTENT section of this RFP. Consideration will also be given to the overall responsiveness of the developer's proposal. Responses will be evaluated to choose either a single Selected Party for negotiations based on its proposal, or to select multiple Proposing Parties to further refine their proposals.

• Development Entity Experience:	30 pts.
• Financial Capability/ Strength	25 pts.
• Development Program/ Project Mgmt.	20 pts.
• Design/Aesthetics	20 pts
• Responsiveness/Presentation	5 pts.
• Sustainability Bonus	max. 10 pts.
• **Total**	**110 pts**

Selection Process

A developer will be selected to enter into an Exclusive Negotiation Agreement with the goal of developing a Disposition and Development Agreement for the development of the Site based on the submittals received in connection with this RFP.

Agency staff will evaluate the Proposals to identify the most suitable project and the most responsive and best qualified developer. During the evaluation process, developers may be asked to respond to questions posed by the evaluation team. Following the selection of a developer, City staff will make a recommendation and presentation to the Agency for the selected Proposal. During this presentation, representatives from the developer should be available to field any questions the Agency may have regarding their proposal.

8. CONDITIONS OF REQUEST

Permits, Approvals and Licenses

The necessary approvals to develop the Site may be subject to discretionary actions. The Selected Party will be responsible for processing and paying for all required permit applications and any related fees in connection with the entitlement approvals or occupancy. The Selected Party shall, at their sole expense, obtain and maintain all appropriate permits, certificates and licenses.

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP2010-***

Request for Proposal for Cabrillo Mixed-Use Workforce Housing Development

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SECTION III PROPOSAL

FAILURE TO COMPLETE ALL ITEMS IN THIS SECTION MAY INVALIDATE PROPOSAL.

In accordance with your "Request for Proposal," the following proposal is submitted to the City of Torrance.

Proposal Submitted By:

_____
Name of Company

_____
Address

_____
City/State/Zip Code

_____
Printed Name/Title

_____
Telephone Number/Fax Number

Form of Business Organization:

Please indicate the following (check one);

Corporation _____ Partnership _____ Sole Proprietorship _____

Other: _____

Business History:

How long have you been in business under your current name and form of business organization?

_____ years

If less than three (3) years and your company was in business under a different name, what was that name?

_____

_____

Contact for Additional Information:

Please provide the name of the individual at your company to contact for any additional information

_____
Name

_____
Title

_____
Telephone Number/Fax Number

Addenda Received:

Please indicate addenda information you have received regarding this proposal:

Addendum No. ____ Date Received: _____
Addendum No. ____ Date Received: _____
Addendum No. ____ Date Received: _____
Addendum No. ____ Date Received: _____

_____ No Addenda received regarding this proposal.

Payment Terms:

Are you proposing any discounts for early payments?

Yes _____ No _____

If yes, what are your discounted invoice terms? _____

Delivery:

What is the lead time for delivery? _____ days/weeks

References:

Please supply the names of companies/agencies for whom you recently supplied comparable goods or services as requested in this RFP.

Name of Company/Agency	Address	Person to contact/Telephone No.

Name of Company/Agency Address Person to contact/Telephone No.

Name of Company/Agency Address Person to contact/Telephone No.

Costs:

$ _____

Additional costs (please specify) $ _____

Grand Total $ _____

Proposer must complete each item with either a check mark to indicate that the item being proposed is exactly as specified, or enter a description in the Proposer's comments column to indicate any deviation from the specifications of the item being proposed.

SERVICE SPECIFICATION COLUMN	PROPOSER'S COMMENTS COLUMN

Submittals: Please indicate that the following are included with your proposal:

Submittal Requirements	Check here if included:

ATTACHMENT 1

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

PROPOSER'S AFFIDAVIT

_____ _____ being first duly sworn, deposes and says:

1. That he/she is the _____ _____ of _____ _____
   (Title of Office) (Name of Company)

   hereinafter called "Proposer", who has submitted to the City of Torrance a proposal for

   _____ _____;
   (Title of RFP)

2. That the proposal is genuine; that all statements of fact in the proposal are true;

3. That the proposal was not made in the interest or behalf of any person, partnership, company, association, organization or corporation not named or disclosed;

4. That the Proposer did not, directly or indirectly, induce solicit or agree with anyone else to submit a false or sham proposal, to refrain from proposing, or to withdraw his proposal, to raise or fix the proposal price of the Proposer or of anyone else, or to raise or fix any overhead, profit or cost element of the Proposer's price or the price of anyone else; and did not attempt to induce action prejudicial to the interest of the City of Torrance, or of any other Proposer, or anyone else interested in the proposed contract;

5. That the Proposer has not in any other manner sought by collusion to secure for itself an advantage over the other Proposer or to induce action prejudicial to the interests of the City of Torrance, or of any other Proposer or of anyone else interested in the proposed contract;

6. That the Proposer has not accepted any proposal from any subcontractor or materialman through any proposal depository, the bylaws, rules or regulations of which prohibit or prevent the Proposer from considering any proposal from any subcontractor or materialman, which is not processed through that proposal depository, or which prevent any subcontractor or materialman from proposing to any contractor who does not use the facilities of or accept proposals from or through such proposal depository;

7. That the Proposer did not, directly or indirectly, submit the Proposer's proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, proposal depository, or to any member or agent thereof, or to any individual or group of individuals, except to the City of Torrance, or to any person or persons who have a partnership or other financial interest with said Proposer in its business.

8. That the Proposer has not been debarred from participation in any State or Federal works project.

   Dated this ____ day of _____, 20_____.

   _____ _____
   (Proposer Signature)

   _____
   (Title)