



**HOUSING AUTHORITY** OF THE CITY OF LOS ANGELES

**AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER**

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**PRESIDENT AND CEO  
DOUGLAS GUTHRIE**

December 15, 2017

**Subject:** Addendum No. 3 to RFP HA-2017-97  
Rancho San Pedro Developer Request for Proposals

Ladies/Gentleman:

This letter serves as Addendum No. 3 to the Rancho San Pedro Developer Request for Proposals (RFP) and is made a part of the solicitation HA-2017-97. This addendum provides responses to both the questions raised at the November 28, 2017 pre-proposal meeting and questions submitted before the December 8, 2017 deadline.

<p><b>Q1. What do you envision for the site?</b></p>	<p><b>A1.</b> HACLA would like to see additional housing and service enrichments as part of the redevelopment of Rancho San Pedro. The San Pedro sub-market is experiencing an increase in residential development; therefore, HACLA wants to preserve low-income housing units and encourage a mix of affordable units to build on the area’s momentum.</p> <p>Residents and stakeholders expressed a strong desire and need for more local amenities in the Rancho San Pedro community and/or the immediately adjacent area. The assets prioritized by residents and stakeholders are included in the RFP, and include for example: a grocery store and structured parking.</p> <p>HACLA envisions a complement of uses, not a singular use, such as 100% housing.</p>
<p><b>Q2. What should Developers include to address the request for a conceptual plan in Stage I?</b></p>	<p><b>A2.</b> The conceptual plan should be a narrative description. Design plan documents are required proposal submissions for Stage II and will be requested by Developers invited to participate after Stage I evaluations.</p>
<p><b>Q3. What is the number of units in the community planning zoning?</b></p>	<p><b>A3.</b> There is an opportunity to increase density at the site through the City’s plan and development approval process.</p> <p>In 2015, HACLA hired a consultant to carry out a Feasibility Study that included analysis of potential densities that complies with the San Pedro Community Plan regarding land use, density and building heights. However, none of the density scenarios explored previously fully capitalized on the development envelope permitted by the Community Plan with a Low Medium</p>

<p><i>(continued from previous page)</i></p> <p><b>Q3. What is the number of units in the community planning zoning?</b></p>	<p>Density General Plan Designation and RD1.5-1XL zoning, only estimating a maximum density yield of 650 units onsite. This study is in the RSP resources library for review. Please note that this information is provided for background purpose only, and Developers are in no way limited to what was included in this previous study. Developers should also not let the underlying zoning impede creativity in the visioning and planning for the site. The San Pedro Community Plan that was recently approved, identifies the RSP public housing site as an Opportunity Area. In previous discussions, City staff had indicated their willingness to work with HACLA and its Development Team to allow flexibility in capitalizing on development opportunities.</p>
<p><b>Q4. What City assistance is available?</b></p>	<p><b>A4.</b> Developers should investigate all potential local, city, state and federal funding sources. Developers are encouraged to confirm if there are City-owned public sites that could potentially be made available for development and to speak directly to the City Council office or Mayor's office to inquire about what specific assistance that could be anticipated. No specific commitments are guaranteed as part of this RFP.</p>
<p><b>Q5a. What are the resident demographics, what is the number of children under 18?</b></p>	<p><b>A5a.</b> The Rancho San Pedro resident demographics are provided in the resources library. There are 579 children under the age of 18 comprising 41% of the resident population. The local schools are open to joint programming.</p>
<p><b>Q5b. Has HACLA been in touch with the school district and do you know if the current schools can handle a significant increase in enrollment if new housing is brought on line?</b></p>	<p><b>A5b.</b> It is likely that the recently adopted San Pedro Community Plan's Environmental Impact Report evaluated the current capacity of local services, including schools as it adopted increases in zoning density in the area. Developers are encouraged to review the Community Plan's EIR for any data on this topic. HACLA has not spoken directly to LAUSD about the district's current capacity.</p>
<p><b>Q6. Should new construction and rehab be considered?</b></p>	<p><b>A6.</b> HACLA has assessed the physical needs of the existing buildings and determined that the site is best suited for demolition and new construction rather than rehabilitation. Additionally, new construction lends itself to a more comprehensive transformation of the site into a vibrant mixed-income/mixed-use community that interconnects with the neighborhood and allow the development of additional residential units.</p>
<p><b>Q7. How many public housing conversion projects do you have now? What projects does HACLA currently have active at this time?</b></p>	<p><b>A7.</b> HACLA is actively undergoing redevelopment at the following sites: Jordan Downs (70 acres) has multiple phases in development/ predevelopment; Rose Hill Courts (5 acres) is in predevelopment; and the final phase of New Dana Strand will be complete in the first part of 2018. HACLA is currently considering refinancing and rehab opportunities of its earlier redeveloped public housing sites as well as developing a longer-term vision for the balance of its public housing portfolio.</p>

<p><b>Q8. Has HACLA/City of LA received a Choice Neighborhoods (CN) grant from HUD or used RAD?</b></p>	<p><b>A8.</b> HACLA/City of Los Angeles has not yet received a CN award from HUD. HACLA submitted a RSP CN Planning and Action Grant to HUD in August 2017 and expects to be notified of a potential award in January 2018.</p> <p>At Jordan Downs, HACLA is currently converting some of the units under RAD and the remaining units through Section 18 demolition and disposition and has submitted RAD requests for Rose Hill Courts and sites in its Asset Management portfolio. HACLA expects to use RAD on a portion of the redevelopment of Rancho San Pedro if the RAD program is available and has capacity.</p>
<p><b>Q9. Can public housing units be proposed in the new development?</b></p>	<p><b>A9.</b> HUD's public housing platform is not financially viable due to erratic and reduced capital and operating funding over time. HACLA's preference is to move to HUD's Section 8 platform (RAD and PBVs). These programs provide resident protections and provides a more stable funding platform to fund development, site maintenance and upkeep.</p> <p>For Rancho San Pedro, HACLA has not yet applied to be placed on the RAD waiting list and has not yet submitted a RAD application.</p>
<p><b>Q10. With new market tax credits in jeopardy, what is your strategy? How will desired retail components be financed?</b></p>	<p><b>A10.</b> For financing possible retail components, Developers should consider all possible sources. Developers should test all proposed uses for financial feasibility. The assets that the residents and community stakeholders prioritized are important, but the residents understand that this is a redevelopment opportunity and the ultimate mix of uses will require compromises and trade-offs.</p>
<p><b>Q11. Is Cap and Trade funding an option?</b></p>	<p><b>A11.</b> HACLA is looking at using cap and trade funding for all projects in order to apply this funding to enhance redevelopment opportunities. Jordan Downs has received two allocations to date. Potential opportunities for RSP could include increasing the transportation options for residents, including roads and pathways, bike path connections and connecting to mass transit options at the site and in the surrounding community neighborhood.</p>
<p><b>Q12. Will HACLA sell/transfer fee title on a for-sale component?</b></p>	<p><b>A12.</b> Please reference Question 2 in Addendum #2.</p> <p>If the selected Developer/Development Team proposed affordable, workforce or market rate for-sale units for a specific phase, HACLA will work with the Developer/Development Team to determine the structure and program requirements of the specific proposal. HACLA prefers long-term ground leases for the "for sale" component and will work with the Developer to see if a ground lease structure can be supported. Alternative sale structures could be considered, but only in the context of the whole development envelope and benefit package.</p>

<p><b>Q13. Is each individual key staff member required to have 15 – 20 years of experience, or can the proposed project team have an average of 15 – 20 years of experience?</b></p>	<p><b>A13.</b> The principal staff identified to lead the project must individually have 15-20 years of experience.</p> <p>Page 3 states: The staff identified to lead this project must have 15 to 20 years of demonstrated experience leading complex projects that required: securing multiple federal, state and local sources; implementing large scale phased, mixed income, mixed-use master plans; and creating environmentally sustainable neighborhoods.</p>
<p><b>Q14. Will any submitting parties need to address their board of directors for written approval to apply to the RFQ?</b></p>	<p><b>A14.</b> A resolution from the firm’s board of directors is not required for the Stage I or Stage II Proposals. On page 29, the RFP requires that a person authorized to bind the firm sign the proposal cover letter.</p>
<p><b>Q15. Parking: What parking ratios must be assumed for proposed uses?</b></p> <p><b>Can on street parking be counted towards satisfying the project parking requirement?</b></p>	<p><b>A15.</b> Parking ratios should be further explored and investigated by the Developer/Development Teams as part of Stage II. HACLA will not require parking above that imposed by the City’s zoning code.</p> <p>See Q2/A2 of this addendum. For Stage I, the conceptual plan should be a narrative description. Building programs and Design plan documents are listed as part of Stage II and will be requested from Developers invited to participate after Stage I evaluations.</p>
<p><b>Q16. Community Plan M11.1 supports the development of a parking management district. Will the RSP properties be able to be part of such a district? If so, what are the extents of this district, and who will administrate the district?</b></p> <p><b>Will there be a concession to shared parking analysis in conjunction with the Port O’Call facilities?</b></p>	<p><b>A16.</b> HACLA supports thoughtful mixed-use planning, which could potentially include shared parking depending on the demand and land uses proposed.</p> <p>The Developer/Development Team would work through these specifics with the City of Los Angeles, in coordination with HACLA.</p>
<p><b>Q17. Demographic Study: Is there a demographic study available for the RSP property?</b></p> <p><b>Is there similar data available for the downtown of San Pedro adjacent to RSP?</b></p>	<p><b>A17.</b> See Q5/A5 of this Addendum.</p> <p>HACLA provided the reports, studies and websites that it had available in the RSP Developer Resources. The Choice Neighborhoods Planning and Action grant application is also provided.</p> <p>Additional demographic information can be obtained from Census data using American Fact Finder.</p>
<p><b>Q18. What is the anticipated date for issuing the addendum?</b></p>	<p><b>A18.</b> HACLA responds to all questions by addendum; the date of this addendum is the official date.</p>



<p><b>Q19. Replacement units: How will the replacement of affordable housing units be verified? Does ‘replacement’ mean:</b></p> <ul style="list-style-type: none"> <li>• matching the exact number of apartments</li> <li>• or the number of bedrooms</li> <li>• or the sf-size of units</li> <li>• or a combination of the above?</li> </ul>	<p><b>A19.</b> See Addendum 2 Q1/A1.</p> <p>As part of Stage II, Developers/Development Teams that are invited to participate, will fill in the Financial Workbook, which was provided by HACLA as a required form.</p> <p>The Stage II Financial Workbook incorporates several assumptions, including square footage.</p>
<p><b>Q20. Height restrictions: What are we to assume will be height restrictions for this project? During the pre-bid meeting, it was suggested that the zoning of the adjacent properties (presumably the commercial zoning to the south of RSP) can extend over the RSP property. However, this is in direct conflict with the currently present 30’ height limit. Is there a new (elevated) height limit that proposers can depend on?</b></p>	<p><b>A20.</b> See Q3/A3 of this Addendum.</p> <p>Developers should not let the underlying zoning impede creativity in the visioning and planning for the site.</p> <p>The San Pedro Community Plan that was recently approved, identifies the site as an Opportunity Area. To achieve greater density and building height, the project will have to achieve the entitlements through a discretionary approval process. HACLA and the Developer will work with the City to secure the necessary entitlements and waivers for achieving the desired density and built form.</p>
<p><b>Q21. Open space requirements: Are there guidelines/expectations how much of the site needs to be made available as open space? What, exactly, is the definition as to what would be acceptable as open space?</b></p>	<p><b>A21.</b> Except for any local regulatory requirements and requirements from potential funding sources, there are no established open space requirements for this site. HACLA defines open space as useable outdoor common area that is available for passive or active use and recreation. Open Space can include plazas, gardens, fields, parks, etc.</p> <p>It is up to the Developers/Development Teams to develop plans that incorporate resident input from the visioning sessions and are innovative and compelling.</p>
<p><b>Q22. Mandated commercial uses: In coordination with the expected commercial development in the adjacent Port O’Call, what uses for commercial spaces are to be provided in the proposed RSP project? Is there a minimum of mandatory commercial areas that need to be included in a proposal? Are there commercial uses that are required (or prohibited) due to the proximity to the Port</b></p>	<p><b>A22.</b> See page 9 of the RFP.</p> <p>Also reference the RSP Developer Resources that includes the visioning meeting summary.</p> <p>HACLA is not mandating or prohibiting commercial uses for this site, except for a prohibition on uses that would not qualify for New Market Tax Credits, such as, massage parlors, gambling facilities and general liquor stores.</p> <p>The Developer/Development Team is expected to develop plans that comply with the requirements listed in the RSP Developer RFP, incorporate resident input from the visioning sessions, ensure commercial uses complement existing plans for Ports O’ Call and Downtown San Pedro and are innovative and compelling.</p>

<p><b>O'Call project?</b></p>	<p>The Developer will need to determine any local regulatory requirements and comply with those accordingly.</p>
<p><b>Q23. Available transit: Various articles point to an eventual upgrade of the Silver Line as a public transit connection to DTLA. Are there any fixed commitments, and/or a schedule about to the availability of public transit to the RSP site?</b></p>	<p><b>A23.</b> The Silver Line is actively running between San Pedro and Downtown but HACLA is not aware of Metro commitments to further upgrades to Metro's services or establishment of a fixed rail line.</p> <p>HACLA acknowledges that multi-modal travel options for the neighborhood are critical; HACLA will work with the selected Developer/Development Team to request that the appropriate service agencies: improve transit options and headway, stops/shelters/stations, as well as routes, as identified throughout the redevelopment planning process.</p>
<p><b>Q24. Will HACLA provide a map of the Barton Hill Elementary enrollment area per the land assembly requirements?</b></p>	<p><b>A24. Page 7 of the RFP, Replacement and Affordable Units- (seventh bullet) is modified to include:</b></p> <ul style="list-style-type: none"> <li>▪ If any replacement units are proposed to be constructed off-site, they should be located within the San Pedro community and enrollment boundary for the local Barton Hill Elementary School. Only 50% of the replacement units can be built offsite unless the offsite property is contiguous with the Site.</li> </ul> <p>HACLA is redefining the boundary for the location of replacement units proposed to be constructed off-site to the Community of San Pedro instead of limiting it to the enrollment boundary for the local Barton Hill Elementary School. Click on the following link for the revised boundaries for land assembly and replacement housing requirements:</p> <p><a href="http://maps.latimes.com/neighborhoods/neighborhood/san-pedro/">http://maps.latimes.com/neighborhoods/neighborhood/san-pedro/</a></p>
<p><b>Q25. Will HACLA provide a survey of the site showing existing grades?</b></p>	<p><b>A25.</b> HACLA does not have a current topographic study of the site. However, topographical maps can be found at the following websites:</p> <p><a href="https://www.topozone.com/california/los-angeles-ca/city/san-pedro-2/">https://www.topozone.com/california/los-angeles-ca/city/san-pedro-2/</a></p>
<p><b>Q26. Will HACLA provide information on existing infrastructure/sewer capacity study?</b></p>	<p><b>A26.</b> HACLA has not completed an infrastructure/sewer capacity study.</p> <p>However, HACLA has completed recent infrastructure/sewer upgrades at Rancho San Pedro. Information regarding this work will be posted no later than <b>Wednesday, December 20, 2017</b> to both websites: <a href="#">LABAVN RSP Developer RFP website</a> and <a href="#">Revitalize RSP website</a>.</p>

<p><b>Q27. Will HACLA provide the Section 3 Plan that recently received approval? It is not yet on the website.</b></p>	<p><b>A27.</b> Please see Addendum 2, Q13/A13.</p> <p>HACLA's Section 3 Guide and Compliance Plan (version 2) has now been posted as a resource on the following websites: <a href="#">LABAVN RSP Developer RFP website</a>, <a href="#">Revitalize RSP website</a>, <a href="#">HACLA website</a> as of early December.</p>
<p><b>Q28. Should each developer involved on a submitting team provide 5 examples of their work, separately (ie: 2 developers to submit 10 examples, etc.)? Or are only 5 project examples to be submitted regardless of the number of developers on a submitting team?</b></p>	<p><b>A28.</b> Please see Addendum 2, Q10/A10.</p> <p>Please submit five examples of each developer's work. If there are project examples where developers acted as a joint venture, this would count as one example for both developers.</p>

We look forward to receiving your proposal.

Sincerely,



Marlene Garza  
Chief Administrative Officer

**ACKNOWLEDGEMENT:**

I have received and reviewed **Addendum No. 3 to RFP HA-2017-97:**

Proposer: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Please include this signed Acknowledgement in your proposal to the RFP.**