



HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

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PRESIDENT AND CEO
DOUGLAS GUTHRIE

March 20, 2018

Ladies/Gentlemen:

**SUBJECT: ADDENDUM NO. 4 TO RFP HA-2017-97
Rancho San Pedro Developer RFP**

This letter serves as Addendum No. 4 to the Rancho San Pedro Developer Request for Proposals (RFP) and is made a part of solicitation HA-2017-97.

REMINDERS AND RESPONSES TO QUESTIONS RECEIVED FROM SHORT LISTED STAGE II PROPOSERS AT PRE-SUBMISSION MEETINGS:

CLARIFICATIONS AND REMINDER

1. **As part of the Stage II requirements, please complete the followings:**
 - a. Exhibits 13 through 16
 - b. Under Stage I Form for the Due Diligence and Regulatory Compliance Exhibit I, please complete the remainder of the requirements, listed here for your convenience:
 - ✓ By-laws of the organization, as amended
 - ✓ Closing record books for any material corporate transactions (e.g., reorganization into holding company structure, joint ventures, etc.)
 - ✓ Listing and description of any subsidiaries, joint venture partners, etc.
 - ✓ Partnership agreements, if applicable
 - ✓ Joint Venture agreements, if applicable
2. HACLA would like to remind the proposers to review the Asset and Onsite Property Management section under TAB 1 Development Program (P. 39 of the RFP). HACLA would like to understand Proposers' plans if any, for incorporating HACLA residents and employees opportunity for the Asset and On-site Property Management portion.
3. Under TAB 5 REFERENCES AND FORMS (P. 42 of the RFP), HACLA would like to clarify that it is willing to accept more than one reference from the same organization for different members of the proposed Developers if each member has worked with the entity furnishing the reference on projects comparable to the RSP redevelopment project.

RESPONSES TO QUESTIONS RECEIVED

1. Provide breakdown of current staffing at RSP.

The following represents HACLA staff dedicated for the management of Rancho San Pedro and Extension:

- 1 Manager
- 1 Assistant Manager
- 1 Maintenance Supervisor
- 1 Eligibility Interviewer
- 1 Management Clerk
- 1.5 Plumbers
- 1 Carpenter
- 1 Spray Painter
- 2 Building Repairers
- 1 Senior Gardener
- 3 Gardener Caretakers
- 1 Residence Cleaner
- Total 15.5 employees

2. Does HACLA have any topo maps, surveys or as-built maps for the site?

HACLA does not have up-to-date surveys that show existing topographies and elevations of the sites; however, the original Plans (for Rancho San Pedro and Extensions) show topographical and architectural information sufficient for Stage II of the RFP. These documents have been uploaded to the Resource Section of the RevitalizeRSP.com website. The NavigateLA web site (of the City Bureau of Engineering) - <http://navigate.lacity.org/navigate/> - has additional information re. City documented information on contours, building foot prints, utilities, etc.

3. We wanted to know if there is a HACLA map that clearly identifies HACLA owned properties. We are not sure exactly where the ownership lies on the SE corner parcel located at Beacon and 2nd.

Please review the resource material on the website. The Existing Site Plan for the site that delineates HACLA property extents can be located under Background information. Further, the architectural plans will also provide boundaries of HACLA property.

4. Due to the reduced economic value in relation to regular PBV, will HACLA need proposers to incorporate RAD in the project?

At this point in time, HACLA intends to use the Rental Assistance Demonstration (RAD) program as an important tool for achieving redevelopment since it provides many advantages including resident rights and protection, flexibility and smoother Disposition/Conversion process, higher and more stable locked in contract rents compared to subsidies from public housing units under a mixed finance model.

For the one-for-one replacement rental units; 20% of the replacement units must be either: 1) Units converted through the Rental Housing Demonstration (RAD) program; 2) Provided as Public Housing or 3) Provided through another HUD affordable housing program. For purposes of the financial modeling, Proposers will need to assume 20% of replacement units in each phase will be set aside for RAD.

5. Does Davis Bacon apply or the state prevailing wages apply? Will it also apply for the market rate projects?

Contractors and subcontractors must comply with all applicable federal and state laws, regulations and policies, as amended, including those regarding discrimination, unfair labor practices, anti-kick-back, collusion, the provisions of the Americans with Disability Act, Fair Labor Standards Act, and where the prime construction contract exceeds more \$100,000 the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).

For Public Works determination, Developers shall refer to California Labor Code Sections 1720 – 1743 and the federal Davis Bacon and Related Acts. Where both Davis Bacon and State Prevailing Wages are triggered, the higher of the two shall apply. To ensure proper determination, HACLA encourages Proposers to consult with their legal counsel.

6. Please provide access to the CNI Planning/Action Grant application?

HACLA's CNI Planning/Action Grant application is available for download in the Resource Section of the RevitalizeRSP website or by clicking on the following link:

<http://revitalizersp.com/wp-content/uploads/2017/11/HACLA-FY2017-RSP-CN-Planning-and-Action-Grant-Application.pdf>

7. Will HACLA require Right of First Refusal/Purchase Option for both affordable and market rate developments? Does HACLA plan on removing the Owners after the initial 15 year compliance period?

HACLA typically requires Purchase Option/Right of First Refusal on all its Affordable Housing Tax Credit transactions. HACLA will have sole discretion to partner with the current Ownership entity on a future acquisition//rehab transaction. For pure market rate projects that do not include any HACLA subsidy, HACLA will not require a Right of First Refusal/Purchase Option.

8. Financial Workbook changes

HACLA encourages proposers to review the workbook at an early stage and confirm whether the inputs for each development component allow for capturing their unique project and financing characteristics. HACLA will be willing to have one-on-one orientation sessions with individual proposer to answer any questions that they might have regarding the Financing Workbook. Please contact Swan Lam for setting up an appointment.

9. Will HACLA be willing to sell the land fee simple instead of entering into ground leases for the For-Sale residential component?

HACLA typically enters into long term ground leases for its for-sale projects as evidenced by the 93-unit Vista Del Sol For-Sale Single Family Homes project that was part of the Aliso Village redevelopment and the 224-unit For-Sale Single Family Homes and Townhome units at Harbor Village, part of the Normont Terrace redevelopment.

HACLA also believes that there is sufficient market demand in Los Angeles for a for sale residential development with a long term ground lease as demonstrated by the successful Taylor Yard for sale components which has Metro as the Ground lessor.

However, HACLA is willing to consider proposals that show various land value options under a ground lease or fee simple conveyance models.

10. Can the proposer discuss with stakeholders and residents prior to submission of Stage II proposal?

Proposers can reach out to residents, community and stakeholders for inputs as they continue to refine their Stage II submission.

11. Detail on Community Presentation

The community presentations will be held at the Boys & Girls Club located at 100 W. 5th St. San Pedro, CA 90731. HACLA expects the total presentation time to be about 2.5 hours in length. HACLA will commence the presentations with an overview of the RFP and the purpose of the presentations. Proposers will be selected in random order to provide 15 minute presentations on their proposal & their team's experience. The audience will be given a 10 minute Question and Answer period where attendees can ask questions related to the community benefits, developer experience & development plan. The Q&A will be facilitated by HACLA. Financial information is not permitted in any of the presentations.

Presenters should bring a 1-page handout containing the following information:

- Description of the proposal including the number of units, total TDC & number of phases
- Ways that the proposal meets the community benefit statement
- Description of the development team and their experience

Presentations should include the following information:

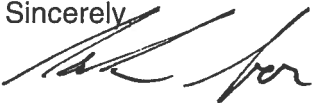
- Team Members
- Prior experience
- Description of Proposed Development
- Ways that the proposal meets the community benefit statement
- How team plans to work with & integrate the community
- Development schedule and phasing

All presenters will be secluded in a separate room and unable to view or hear any other presenter.

HACLA will provide further details on the date, time and order of the presentations at a later date.

We look forward to receiving your proposal.

Sincerely,



Douglas Guthrie
President & CEO

ACKNOWLEDGEMENT:

I have received and reviewed **Addendum No. 4 to RFP HA-2017-97:**

Proposer: _____

Signature: _____ Date: _____

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