

Heritage Square RFP Working Group Meeting Minutes

Meeting No.: 7

Meeting Date: September, 10, 2009

Attendees: Charles Nelson, Maria Isenberg, Ralph Poole, Jim Wong, Ishmael Trone, Bill Huang, Vincent Gonzalez

Old Business:

- 1.1 **Mission Statement and Tasks.** The manner in which the joint NW Commission and FO PAC meeting on July 23, 2009 at 6 pm will be run will be determined by the two entities. Flyers were sent out electronically and hard copies will be posted around Robinson Park. A general update of the project was given at the EDTech Committee meeting on August 5, 2009. EDTech recommended the project, particularly the Church's Chicken lease negotiations, be brought to closed session of the City Council on July 13, 2009. Jim distributed the ENA termination letter. Input received from the community on the Mission Statement and Tasks in the community meeting. No modifications to the Mission Statement and Tasks are required based on community input. Mission Statement was determined to be final by consensus of the Working Group. **ACTION:** EDTech review scheduled for October 7, 2009.
- 3.3 **RFP timeline.** Bill distributed an updated timeline. **ACTION:** Bill to revise RFP timeline as needed.
- 4.2. **Review of RFP Criteria.** Bill distributed updated RFP criteria. Working Group wants to know if it is possible for a single RFP to be issued for both phases. Staff indicated economic uncertainty of financing available for commercial development and the time (probably a few years) it would take for a developer to be allowed to try to obtain the financing. **ACTION:** Bill to revise RFP Criteria as needed.
- 4.3 **Heritage Square Name.** A possible name change was discussed. F.O. PAC approved the renaming of the project. However, the NW Commission and the Working Group need to have further discussion on this issue. The City has a concern that naming the project after a person may mean having to involve that person or their heirs in the decision making process which is not ideal. **ACTION:** To be further discussed by the Working Group.
- 4.5 **Site Code Requirements.** There is a desire to have copies of the code sections that apply to the site. Jim provided the information as a handout **ACTION:** Provide Site Code Requirements to selected architectural consultant.

- 4.6 **Independent Review Panel.** It is currently anticipated that 3 of the 5 IRP members will be housing experts who are also Pasadena residents. A recommended list can be suggested by the Housing Dept. The Working Group can recommend members from the list. Bill provided the info as a handout. The selection of the IRP members cannot be made until after developer applications have been submitted so we can be sure there are no conflicts of interest between IRP members and developers. The criteria for qualified members is that they are Pasadena residents and affordable housing practitioners in the areas of finance, development, law, policy, design, construction, or property management. **ACTION:**
- 5.3 **Architectural Consultant.** An architectural consultant will be hired by the Housing Department to develop a conceptual site plan. An RFP for these services is an option to allow local architects to apply. However, any architect selected to prepare the conceptual site plan would be ineligible to apply as part of a development team. The RFP was released on August 31, 2009. Jim distributed to the Working Group copies of the RFP plus ads published in the Star News, Pasadena Weekly and Pasadena Journal. The Working Group will serve as the selection committee for this RFP. The Architect will meet with the Working Group on October 8, October 22, and November 12, 2009 and with the community on November 19, 2009. **ACTION:** Working Group to review architect applications.
- 6.4 **Decker House.** Housing will issue an RFP to move the Decker House. The priority requirements will be to preserve the structure, move it off the site but keep it in Pasadena, entity must have experience with moving and rehabbing historic structures, and minimize the cost to the City. **ACTION:** Jim to provide draft RFP at next Working Group meeting on September 24, 2009.
- 6.5 **Church Demo.** The church will be demoed with CDBG funds and an RFP will be issued. Jim provided draft demo RFP. Comments are needed by City Attorney, Working Group and City staff involved with procurement requirements. **ACTION:** Jim to issue RFP when finalized.
- 6.7 **Community Input.** Jill Shook, Anne Marie-Hickambottom, Dr. Benson, and Marvin Schachter will be invited to meet with the Working Group on September 24, 2009 to provide feedback on the issue of physical project assumptions for the RFP. Bill provided draft letter. **ACTION:** Bill to send out letter by September 15, 2009 to the invited guests.
- 6.9 **Senior Housing Comps.** Financial comps for recent senior housing developments were reviewed. Comps ranged from a HUD 202 funded project with 4% low income housing tax credits and tax exempt bonds and surface parking to a 9% low income housing tax credit funded project with subterranean parking. It was determined that the RFP needs to be designed for HUD 202

funding and surface parking because the local subsidy above and beyond the land is limited. Bill handed out parameters for a competitive HUD 202 project. Jim provided a table comparing senior housing financing options. 9% tax credits are difficult to get for senior housing in LA County. Recently, a proposal for a 9% senior deal in Pasadena was denied. To be highly competitive 50% of the units need to be for special needs seniors. The Working Group feels the site is not appropriate for special needs units. 9% deals require large subsidies. 4% tax credits with tax exempt bonds can be used but require very large local subsidies. HUD 202 funding is competitive but provides the most funding which minimizes local subsidy and also provides rental subsidy so residents only pay 30% of their income. An emerging trend is to combine HUD 202 with 4% tax credits and tax exempt bonds which reduces local subsidies even further, but very few developers have been able to structure this type of financing. Since 9% tax credits and HUD 202 funding are very competitive funding is almost always awarded to developers that have a track record with those funding sources. It is unlikely any Pasadena-based developers will have sufficient experience to compete for the funding, but that does not rule out local architects, engineers, contractors, subcontractors and property management companies being part of a project team. **ACTION:** Bill & Jim will pull together more recent senior housing comps for the Working Group to review to be certain HUD 202 is the only viable way to proceed.

New Business:

- 7.1 **Approval of Meeting Minutes #6.** Moved by I.T., seconded by M.I., unanimous approval.
- 7.2 **RFP Consultants.** There will need to be at least two consultants to review the developer proposals. One will be for design and the other for financing and development. **ACTION:** Jim will prepare a draft RFP for consultants for the Working Group's review.
- 7.3 **Commercial Financial Economic Feasibility Study.** Planning and Development has engaged a consultant to prepare the study. **ACTION:** Vincent will present study to Working Group.
- 7.4 **Next Meeting.** September 24, 2009 at 4 pm at the Housing Department. **ACTION:** Bill to prepare meeting agenda.

These meeting minutes are considered to be an accurate record of the meeting unless revisions are requested of the preparer (Bill Huang, 626/744-8320; whuang@cityofpasadena.net) in a timely fashion.