

**CITY OF LYNWOOD  
REQUEST FOR QUALIFICATIONS  
FOR THE DEVELOPMENT OF  
AFFORDABLE VETERANS HOUSING**

**ISSUED BY**

**OFFICE OF THE CITY MANAGER**

**Submission Deadline: August 8, 2017 at 4:00 p.m.**

**SUMMARY**

**Request for Qualifications / Proposals**

City of Lynwood  
Office of the City Manager

**DATE ISSUED:** **July 6, 2017**

**DESCRIPTION:** The City of Lynwood (“City”) is seeking Statements of Qualifications and Development Strategies from affordable housing developers interested in building permanent supportive housing for Veterans on City-owned land.

**DEADLINE FOR SUBMISSION:** Responses must be received at the Submission Delivery Address shown below by **August 8, 2017 at 4:00 p.m.** (Pacific Standard Time).

**SUBMISSION DELIVERY ADDRESS:** Office of the City Clerk  
11330 Bullis Road  
Lynwood, CA 90262  
Attention: **Alma Martinez, City Manager**

**SUBMISSION CONFERENCE:** A submission Conference will be held on **July 17 2017 at 10:30 a.m.** (Pacific Time) at 11330 Bullis Road, City Manager’s Conference Room Lynwood, CA 90262.

**TECHNICAL ASSISTANCE:** All questions related to this Request for Qualifications shall be submitted in writing via e-mail to [adupret@lynwood.ca.us](mailto:adupret@lynwood.ca.us) no later than **July 24, 2017 at 4:00 p.m.** Responses to questions will be distributed on **July 27, 2017.**

## **I. OVERVIEW**

The Office of the City Manager of the City of Lynwood (City) is issuing this Request for Qualifications (RFQ) with the goal of selecting a highly qualified affordable housing developer for the development of a veteran's housing project located on the south side of Fernwood Avenue between Alameda Avenue and Imperial Highway, Lynwood, CA 90262 (Project Site or Site). The Veterans Housing initiative, is a component of the City's strategies for decreasing homelessness and increasing affordable housing. Responders to this RFQ are required to submit at least one development strategy to be placed on the qualified list. The City will have the ability to enter into an Exclusive Negotiating Agreement (ENA) on the site if an appropriate development strategy is received. Both the qualified list and the ability to enter into an ENA will expedite the development of the site. The City could convey the land for fair market value, for partial market value, or contribute the land value as a subsidy to advance the development of supportive and affordable housing units for veterans.

The goal of this RFQ is to maximize the supportive units on these sites. However, we are soliciting development strategies that cover a range of housing types because not all of the property parcels may be appropriate for supportive housing, and additional City-owned sites may be identified. Again, a prequalified list would allow the City to move quickly to match developers with future sites.

## **II. BACKGROUND**

In the spring of 2017, the City completed the acquisition of the Project Site and initiated a process of seeking a qualified developer. This RFQ invites developers to submit information that will enable them to be selected as qualified developers for the construction of affordable housing. Qualified developers are those who have a proven track record of successful completion of the development process from initial community engagement through project design, financing and development. Qualified developers must bring passion and creativity to solving the affordable housing crisis and a vision for how to produce housing units in Lynwood as quickly as possible. Moreover, developers should be committed to local hiring, including using programs that train homeless or formerly homeless individuals. Developers are also encouraged to utilize energy-efficient construction methods and materials.

### What makes this a RFQ?

Interested developers must respond with site-specific strategies that will comprise one or more of the housing types in Exhibit C. Only one development strategy is required to be submitted for a developer to be deemed responsive to this RFQ. However, we encourage developers to respond with as many Development Strategies as they feel represent the range of housing types that their firm is qualified to produce.

Based on a specific development strategy, the City may directly enter into an ENA with a developer for a site on this initial list.

The selection of firms for the qualified list will be based on two parts:

- A) Experience and Capacity (up to 60 points). Developers will provide evidence of development team experience, financial capacity, prior history of providing community benefits, and detailed information of at least five recent developments completed by the developer.
- B) Development Strategies (up to 40 points). Developers will create an affordable housing strategy for the Project Site.

Development Strategies will include one or more of the following types of affordable housing:

- Permanent Supportive Housing
- Veterans Housing
- Innovative Housing Types such as Micro Housing, Stacked Modular Housing and other types of Manufactured Housing

See Exhibit C for further explanation. See Exhibit B for more detailed information regarding the Site. Site-specific questions will be addressed on the Questions and Answers posted as part of this RFQ process.

### III: RFQ SCHEDULE

	<b>Time (PST)</b>	<b>Milestone</b>
July 17, 2017	10:30 a.m.	Submission Conference; 11330 Bullis Road, City Manager's Conference Room, Lynwood, CA 90262
July 24, 2017	4:00 p.m.	Deadline for receipt of Questions, Inquiries and Clarifications
July 27, 2017	Close of business	Responses to questions posted on City website for all potential proposers
August 8, 2017	4:00 p.m.	Submission Deadline

Interviews with selected developers may be scheduled after the Submission Deadline. A final review and recommendation to the Mayor and City Council is intended to be completed by the end of August.

### IV: EVALUATION CRITERIA

#### A) Developer Threshold Requirements

Submissions must meet the following minimum threshold requirements in order for the developer to be eligible for inclusion on the list of qualified housing developers.

#### ***Threshold Requirements:***

- 1) The submissions must be received by the determined deadline.
- 2) The submissions must include all the required information and executed forms.
- 3) The developer must not be subject any adverse findings that would prevent the City from selling the Property to the Developer or any person or entity associated with the Developer. These include, but are not limited to:
  - a) Out-of-compliance with Lynwood business practices;
  - b) Removal or involuntary exit of the developer, or any of its principals, from an ownership position in any publically-funded residential, commercial or industrial project;
  - c) Arson conviction or pending case;

- d) Harassment conviction or pending case;
- e) City, state, federal or private mortgage foreclosure proceedings or arrears;
- f) In remedial foreclosure; sale of tax lien or substantial tax arrears;
- g) Defaults under any federal, state or city-sponsored program;
- h) Federal Debarment - debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any Federal department or agency from doing business with the Federal Government;
- i) A record of substantial building code violations or litigation against properties owned and/or managed by the developer or by any entity or individual that comprises the developer;
- j) Past or pending voluntary or involuntary bankruptcy proceedings;
- k) In litigation with the City of Lynwood; and
- l) Conviction for fraud, bribery or grand larceny.

Submissions that meet the threshold requirements will be evaluated and ranked based on the Selection Criteria and Submission Scoring described below.

### **B) Selection Criteria**

This RFQ will select successful developers with a proven ability to engage community stakeholders, design housing that enhances the existing neighborhood, and develop financing plans that leverage outside resources effectively.

Reviewers of this RFQ are looking for development strategies that result in the ability to:

- 1) Maximize the Project Sites potential for supportive and affordable veteran housing units;
- 2) Build units as quickly as possible; and
- 3) Use the lowest amount of City subsidy per unit as possible.

Retail, parking and other ancillary uses may also be included in the developments, subject to any site specific limitations.

Qualified developers should demonstrate their ability to:

- 1) lead a team that will successfully design, build, market and manage affordable housing in Lynwood;

- 2) identify and compete for existing sources of financing, and should present ideas on alternative or underutilized sources of financing; and
- 3) “Think outside the box” and expedite the current typical schedule for affordable units that utilize 9% tax credits and are subject to the Managed Pipeline for the geographic apportionment.

Qualified developers that propose permanent supportive veteran housing should demonstrate their ability to:

- 1) successfully design and manage service enriched housing for veterans;
- 2) successfully partner with appropriate service providers; and
- 3) Utilize the coordinated qualification system.

## **V. SUBMISSION SCORING**

A maximum of 100 points may be awarded to a developer responding to this RFQ.

Of the 100 points, a maximum of 60 points will be awarded to developers on their experience and capacity.

Of the 100 points, a maximum of 40 points will be awarded for the Development Strategy or Strategies that are proposed. Each Development Strategy will be scored separately and the highest score will be used for the final Capacity and Experience Criteria score.

***Developers that achieve a score of 80 points or higher will be placed on the qualified list.***

### **A. Experience and Capacity (60 points maximum)**

#### **1) Development Team Experience**

The proposed development team will be evaluated on the experience of the individual team members including the Developer, the Property Manager, the Asset Manager, and the Construction Manager. Provide the following:

- Description of the Applicant’s organization, including mission and legal status.
- Firm resumes for each team member that list the experience for each specified Housing Type. Individual resumes for all keystaff.
- A narrative on the past experience working together for all team members.
- For any developer that is submitting a development strategy that includes permanent supportive veteran housing, submit firm resumes

for select service providers that the developer has worked with in the past five years.

- At least one reference (name, title, email and phone number) in each of the following categories:
  - Financial: Conventional Lending
  - Financial: Grants
  - Financial and Regulatory: City or County
  - Community Partners
  - Service Providers, if applicable
- Describe one example of a project in which the time from conception to completion was shortened by strategic decisions on the part of the developer, such as financing or entitlement, and describe that strategy and the result.
- Describe your organization's overall approach to community outreach and inclusion. Select one example of a community outreach strategy and how it affected the project.

## **2) Portfolio Summary**

Include information for a minimum of 5 and a maximum of 10 recent housing projects, including projects in collaboration with other public sector entities, in which the development team and proposed associates have participated. Include a summary listing of your portfolio using Exhibit E. An excel version of Exhibit E has been uploaded to the City website for your use.

Provide a one or two page narrative project description for each project that includes a general overview of the scope of the project and its location, and whether it is new construction or rehabilitation.

Provide the following for each project:

- Project Type (Refer to Exhibit C)
- Population(s) served
- Affordability levels
- Location
- Team members, including architect, contractor, property manager and service provider, if any
- Financing sources
- Total development cost and cost per unit
- Length of time to complete and actual completion date.
- Description of the community outreach strategy
- Description of unique challenges (if any)
- Sustainable features



Include pictures of the completed projects to highlight architectural design for each project description. If applicable, describe ways in which the development approach was innovative especially in terms of financing and design.

**3) Financial Capacity**

Document stable income and net income over a three-year period; provide detailed explanations of any interruptions in that stability; provide any explanations of any extraordinary expenses; and include a summary schedule that presents side-by-side columns of the three years of audited income statements for comparative purposes (see Exhibit D).

Document stable and adequate cash and cash equivalent assets as equity resources and consistent avoidance of an over-leveraged financial position; include a summary schedule that presents three years of balance sheets in side-by-side columns for comparative purposes (see Exhibit D).

Explain any material contingent liabilities and relevant financial arrangements whether noted or not in “Notes to Audited Financial Statements” that are reasonably important to judging financial capability.

Show the ability to access capital appropriate to the size and type of developments that could be proposed.

Include the documentation, explanations, summary schedules and audited financial statements for the last three (3) audits of the developer.

Summary financial schedules shall be input into the format provided in Exhibit D – Format of Summary Financial Schedules, which is available as a template in Microsoft Excel on the City website. For developers which consolidate limited partnership interests in their audited financial statements, the summary financial information should reflect the ‘stand-alone’ financials of the developer.

**4) Community Benefits**

Describe the participation of MBE, WBE, Small Businesses, Emerging Businesses, and Disabled Veterans Businesses in projects listed in the Portfolio section. Also describe participation in local hiring programs, if any. When describing previous engagement efforts, list specific percentages of engagement achieved for each example project. In the narrative, include the developer’s track record in addressing the City’s goals, sources of contractors, the developer’s plan to meet the minimum targets, the desired outcomes and who is accountable for achieving the desired goals.

## **B. Development Strategy (40 points maximum)**

Each developer must submit a Development Strategy for the property listed in Exhibit B. Each development strategy will be scored up to a maximum of 40 points. The highest development strategy score will be added to the Capacity and Experience Criteria for a maximum score of 100 points. Each development strategy response should not exceed 24 pages.

Submit the applicable documentation:

1. Narrative project description, including population(s) proposed to be served and knowledge of the surrounding community.
2. Conceptual site plan (does not need to be professionally produced).
3. Unit matrix, include unit quantity, type and size
4. Development Budget and Schedule, including assumptions. Provide the development sources and uses and the construction budget using the format of the California Tax Credit Allocation Committee for the 2017 9% Competitive Tax Credit Application or the 4% Tax Credit Application with Tax Exempt Bond Financing. These forms can be found here:
5. <http://www.treasurer.ca.gov/ctcac/2016/application/index.asp>.
6. Community outreach strategy
7. Innovative approaches for achieving rapid delivery of units
8. Innovative approaches to financing

It is anticipated that successful Development Strategies may incorporate part or all of the value of the land as part of the subsidy for the proposed development. The amount of any land subsidy should be specified in the Development Budget and Schedule. Land values should be based on typical values for the area.

A mix of uses, such as commercial, retail, parking, or other ancillary uses may also be included in the developments. Proposals that include non-housing uses should be specific in how such uses are related to the surrounding community and/or to the population served by the housing, and they should also be specific in the type of benefits provided.

The City anticipates that the site may require entitlements changes in order to accommodate housing development and supportive uses.

## **VI: SELECTION AND NEGOTIATION PROCESS**

All submissions in response to this RFQ will be reviewed based on the requirements and evaluation criteria described herein, including consistency with the goals and objectives of this RFQ. In addition, submissions will be

reviewed for completeness, developer and team experience, as well as the ability of the developer to finance, undertake, complete and manage the proposed type of project.

Upon receipt of submissions, the City will review the submissions and may recommend a short list of developers to interview. At its discretion, the City may contact references and industry sources, investigate previous projects and current commitments, interview some or all of the development team members, and take any other information into account in its evaluation of the responses. The City reserves the right to request clarification or additional information from developers and to request that development teams make presentations to community groups and or others.

If the composition of the development team changes, the developer will be required to notify the City of these changes and, at its sole discretion, the City will determine whether this revised development team meets the requirements of the RFQ.

### **Final Approval Process**

Once the City makes its recommendation, the ENA must be approved by the Mayor and City Council of the City of Lynwood. A sample ENA is included as Exhibit F.

## **VII: SUBMISSION REQUIREMENTS**

Proposers must submit one (1) signed original proposal, five (5) hard copies of each proposal and one electronic copy in a single PDF file to the Office of the City Manager no later than August 8, 2017 at 4:00 p.m. (PST). Digital versions should be submitted on USB or emailed to the following; [amartinez@lynwood.ca.us](mailto:amartinez@lynwood.ca.us).

All submissions must be marked "Affordable Housing Opportunity Site RFQ" and must be delivered to the following address:

City of Lynwood  
Office of the City Clerk  
11330 Bullis Road  
Lynwood, CA 902622  
Attention: **Alma Martinez, City Manager**

All submissions shall include the required forms and disclosures listed in the forms section. All forms that require signature(s) shall be signed by a principal or officer authorized to represent and commit on behalf of the Developer.

Refer all questions, inquiries and requests for clarification regarding this RFQ in writing to [adupret@lynwood.ca.us](mailto:adupret@lynwood.ca.us). All inquiries must be received no later than **July 24, 2017 at 4:00 p.m.** All questions and answers will be posted to the City website no later than **July 27, 2017**.

A Pre-submission Conference has been scheduled for **July 17, 2017 at 10:30am**, at 11330 Bullis Road, City Manager's Conference Room, Lynwood, CA 90262. Attendance is strongly encouraged. Please send attendance confirmation to [adupret@lynwood.ca.us](mailto:adupret@lynwood.ca.us) by close of business on **July 12, 2017**.

The City of Lynwood does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities. Please contact the City at least seventy-two (72) hours in advance to request an accommodation.

### **VIII: REAL ESTATE AND OTHER DISCLOSURES**

This information is applicable only to Developers who are selected to enter into an Exclusive Negotiating Agreement with the City for a specific site.

#### ***Title and Escrow:***

City makes no warranty as to the condition of title. Proposers are encouraged to conduct their own due diligence and make their own determinations prior to the final negotiation of the ENA. The title company and escrow company used for the grant of the fee simple interest in these properties shall be selected by the City of Lynwood. Selected developers shall be required to pay applicable transaction costs.

#### ***Additional Reports:***

Should any selected Developer desire additional surveys or any other types of inspections, an independent surveyor and/or inspectors may be employed by the Developer at its own expense.

#### ***Land Use and Zoning:***

The City anticipates that the site will need to be re-zoned to accommodate housing development and supportive uses. Developers will be responsible for re-zoning and are encouraged to speak with the Department of City Planning to explore entitlement options. See Exhibit B for more information.

#### ***Environmental:***

Selected Developers shall be responsible for meeting all the requirements of the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA), as applicable, including the completion of all environmental assessments to determine project feasibility.

***Section 504, Americans with Disability Act (ADA) and Prevailing Wage Requirements:***

All housing developments shall comply with all applicable City, State and Federal accessibility laws and agreements, including but not limited to the Fair Housing Act, Section 504 of The Rehabilitation Act of 1973 and the Americans with Disabilities Act. All projects shall comply with prevailing wage requirements, when required.

***Initiation of Exclusive Negotiation Agreements:***

The City may convey a fee simple interest to the selected developer, or enter into a ground lease, upon satisfaction of the conditions precedent to execution, including but not limited to: (a) providing any required monetary considerations; and (b) final approval of the Developers and submissions by the Mayor and City Council, based on recommendations by City staff.

**IX: CONDITIONS**

The City of Lynwood reserves the right to request additional information from developers, reject any and all submissions, waive any irregularities in the submission requirements, or cancel this RFQ. By their submission, developers acknowledge and agree to the terms and conditions of this RFQ and to the accuracy of the information they submit in response. All submission packages become the property of the City of Lynwood and will not be returned.

**ATTACHMENTS**  
**Additional detail and requirements regarding**  
**Section V. Submission Scoring**

**Proposed Development Team**

- a. Provide information regarding the organization incorporating the proposed ownership and Developer, including the official name of the organizations, address and the names and titles of the proposer's principals, the name and address of the person who is authorized to receive notices, make decisions and represent the proposer. Indicate the form of legal entity of the proposed ownership (e.g., individual, limited partnership, nonprofit corporation, general partnership, joint venture, for-profit corporation, Limited Liability Company, etc.) and any relationship the development organization(s) may have with a parent corporation, subsidiaries, joint ventures or other entities.
- b. Provide information on the history, mission, programs, track record and roles and responsibilities of the Developer as it relates to affordable housing development. Provide the same information for key members of the development team, if applicable.
- c. Include an organizational chart indicating the ownership structure and its parties. If the ownership entity and/or Developer will consist of more than one entity, include a detailed description of the roles, responsibilities and authorities of each entity.
- d. Provide the name, title, address, telephone and fax number, email address and resumes for key members of the proposed development team.
- e. Submit one copy of the Articles of Incorporation, partnership, or other business organizational documents (as appropriate) filed with the California Secretary of the State for each entity within the ownership structure, other than the limited partner, if any.
- f. Provide proof of good standing and authorization to do business in California for each entity within the proposed ownership structure, except for the limited partner, if any.
- g. Provide Secretary of State Corporate Number, a copy of your organization's by-laws and a current list of the Board of Directors.
- h. Provide a brief description of the number of years of housing development experience for the Developer and proposed development team. Indicate the number of years of affordable housing development experience.
- i. Describe the Developer's local presence in the City of Lynwood.
- j. In addition to housing development, describe other programs that are part of the Developer's portfolio.

**Financial Capacity**

Submit the documentation, explanations, summary schedules and audited financial statements for the last three (3) consecutive years (2014, 2015, 2016) of all parties in the proposed ownership structure (or related parties and/or affiliates that will provide financial resources and/or guarantees), other than the limited partner, if any. Use the summary schedule format provided in Exhibit D. An excel version of Exhibit D has been uploaded to the City website for your use.

**Format of Development Budget and Schedule**

Provide the development sources and uses and the construction budget using the format of the California Tax Credit Allocation Committee for the 2017 9% Competitive Tax Credit Application or the 4% Tax Credit Application with Tax Exempt Bond Financing. These forms can be found here:<http://www.treasurer.ca.gov/ctcac/2016/application/index.asp>.

Development schedules should show the following major milestones and sub tasks:

- a. Financing
- b. Entitlements and Permits
- c. Design
- d. Bid Process and Contractor Selection
- e. Construction
- f. Leasing
- g. Stabilized Occupancy

**Affordable Housing Opportunity Site RFQ**  
**Exhibit A: General RFQ Information**

**A. Costs Incurred by Developer**

All costs of submission preparation shall be borne by the Developer. The City shall not, in any event, be liable for any contractual expenses incurred by Developers in the preparation the submissions. Submissions shall not include any such expenses as part of the proposed budget.

**B. Accuracy and Completeness**

The submission must set forth accurate and complete information as required in this RFQ. Unclear, incomplete, and/or inaccurate documentation may not be considered. Falsification of any information may result in disqualification.

If the Developer knowingly and willfully submits false performance or other data, the City reserves the right to reject that submission. If it is determined that a contract was awarded as a result of false performance or other data submitted in response to this RFQ, the City reserves the right to terminate the contract.

Unnecessarily elaborate or lengthy submissions or other presentations beyond those needed to give a sufficient, clear response to all the RFQ requirements are not desired.

**C. Withdrawal of Submissions**

Submissions may be withdrawn by written request of the authorized signatory on the Developer's letterhead at any time prior to the submission deadline. The firm may thereafter submit a new submission before the submission date. Submissions may not be re-submitted after the submission date.

**D. General City Reservations**

The City reserves the right to extend the submission deadline should this be in the interest of the City. Developers have the right to revise their submissions in the event that the deadline is extended.

The City reserves the right to withdraw this RFQ at any time without prior notice. The City makes no representation that any contract will be awarded to any Developer responding to the RFQ. The City reserves the right to reject any or all submissions. If an inadequate number of submissions is received or the submissions received are deemed non-responsive, not qualified or not cost effective, the City may at its sole discretion reissue the RFQ or execute a sole-source contract with a Developer.



The City shall review and rate submitted submissions. The Developer may not make any changes or additions after the deadline for receipt of submissions. The City reserves the right to request additional information or documentation, as it deems necessary. The City reserves the right to issue future RFQs to add firms to the qualified list.

The City reserves the right to verify all information in the submission. If the information cannot be verified, and if the errors are not willful, the City reserves the right to reduce the rating points awarded.

The City reserves the right to require an award interview and/or site inspection.

The City reserves the right to waive minor defects in the submission.

If the selection of the Developer is based in part on the qualifications of specific key individuals named in the submission, the City must approve in advance any changes in the key individuals or the percentage of time they spend on the project. The City reserves the right to have the Developer replace any project personnel.

#### **E. Contract Negotiations**

The City reserves the right to make a contract award contingent upon the satisfactory completion by the Developer of certain special conditions. The contract offer of the City may contain additional terms or terms different from those set forth herein.

As part of the negotiation process, the City reserves the right to:

- Fund all or portions of a Developer's submission and/or require that one Developer collaborate with another for the provision of specific services, either prior to execution of an agreement or at any point during the life of the agreement;
- Convey the land for fair market value, for partial market value, or contribute the land value as part of the City's subsidy, at the City's sole discretion;
- Use other sources of funds to fund all or portions of a Developer's submission; and
- Elect to contract directly with one or more of any identified collaborators; and/or require all collaborators identified in the submission to become co-signatories to any contract with the City.

There may be covenants and deed restrictions in regards to the conveyance of the property.

## **F. Standing of Developer**

Regardless of the merits of the submission submitted, a Developer may not be selected if it has a history of contract non-compliance with the City or any other funding source, poor past or current contract performance with the City or any other funding source, or current disputed or disallowed costs with the City or any other funding source.

Developers/Organizations that have been sanctioned because of non-compliance with Single Audit Act requirements for managing grant funds will be eligible to apply; however, they will not be eligible to receive any funding, if awarded under this RFQ process, until this sanction is removed.

The City will enter into an agreement only with entities that are in good standing with the California Secretary of State and the City of Lynwood.

## **G. Proprietary Interests of the City**

The City reserves the right to retain all submitted submissions which shall then become the property of the City and a matter of public record. Any department or agency of the City has the right to use any or all ideas presented in the submission without any change or limitation. Selection or rejection of a submission does not affect these rights. All submissions will be considered public documents, subject to review and inspection by the public at the City's discretion, in accordance with the Public Records Act.

Developers must identify all copyrighted material, trade secrets or other proprietary information claimed to be exempt from disclosure under the California Public Records Act (California Government Code Sections 6250 et seq.) In the event such an exemption is claimed, the submission must state: "(Name of Developer) shall indemnify the City and hold it and its officers, employees and agents harmless from any claim or liability and defend any action brought against the City for its refusal to disclose copyrighted material, trade secrets or other proprietary information to any person making a request thereof." Failure to include such a statement shall constitute a waiver of the Developer's right to exemption from disclosure.

## **H. Discount Terms**

Proposers agree to offer the City any discount terms that are offered to its best customers for the goods and services to be provided herein, and apply such discount to payments made under this agreement, which meet the discount terms.

## **I. Americans with Disabilities Act**

Any contract awarded pursuant to this RFQ shall be subject to the following:

The Developer/Consultant hereby certifies that it will comply with the Americans with Disabilities Act 42, U.S.C. Section 12101 et seq., and its implementing regulations. The Developer/Consultant will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Disabilities Act. The Developer/Consultant will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the Developer/Consultant, relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

#### **J. Child Support Assignment Orders**

Developer/Consultant shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Developer/Consultant assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

#### **K. Equal Opportunity/Affirmative Action Requirements**

It is the policy of City of Lynwood to provide minority, women and other business enterprises (M/W/OBE's) with the opportunity to compete for and participate in the performance of City contracts. Any firm who is awarded a contract will be required to make its best efforts to recruit M/W/OBE's and enhance employment opportunities for minorities, women and others for subcontract opportunities created by any contract. If developers are successful in obtaining a contract, they will be required to make their best efforts to recruit minority business enterprises or women business enterprises for subcontract opportunities created by any contract(s).

#### **L. Development Policies and Requirements**

##### ***Labor Requirements for Development***

This RFQ includes the information on laws that affect development projects. This section highlights requirements related to prevailing wage, which would apply to a project that could develop as a result of this RFQ. All Developers considering submission to this RFQ shall also carefully review the City of Lynwood' specific policies and requirements in the Exhibits for consideration and inclusion in your development and financial assumptions.

### ***Local Hiring Program Requirements***

Selected Developers must comply with Federal Section 3 and the Local Hire Program Requirements (Rev. 7/9/08). Contractors and others engaged in construction and rehabilitation are encouraged to hire and train the maximum feasible number of employees from the community. In addition, the City of Lynwood want to actively encourage local hire of permanent employees in commercial projects and residential. Local Hire Goals for construction and permanent jobs are typically negotiated on a project-by-project basis. Developers are also encouraged to consider employment programs for the homeless or formerly homeless as a resource for potential employees.

### ***Sustainable Development***

Development Teams are encouraged to comply with the Sustainable Building Initiatives. This may include use of active and passive energy conservation techniques, use of recycled materials and “green” materials, and use of water conservation techniques including xeriscaping and other conservation methods as may be recommended by relevant agencies. Provision of storage areas for recycling, solid waste management, and incorporation of design features allowing flexibility to use reclaimed gray water are encouraged.

## **M. Supplemental Information Related to the RFQ Process**

### ***Contact AFTER RFQ Submission***

During the period immediately following the deadline to submit submissions and continuing until a recommendation has been submitted to the City Council, developers are not to contact City staff and the City Council on this specific matter. Any such contact may result in the immediate disqualification of any respondent from consideration. All questions or request for clarification or additional information shall be submitted to [adupret@lynwood.ca.us](mailto:adupret@lynwood.ca.us)

### ***Amendments to the RFQ***

Any amendments to this RFQ shall be effected in writing and issued by City staff. If this RFQ is amended, then all terms and conditions which are not modified remain unchanged.

All interested proposers shall acknowledge receipt of any amendment to this solicitation by including a statement in its submission that it has received the amendment (the amendment number, if any, should be identified).

### ***Restriction on Disclosure of Data***

Prospective firms who include data or information in their submissions that they do not want disclose to the public for any purpose or used by the City except for evaluation purposes, shall mark the title page with the following legend:

“This submission includes data that shall not be disclosed outside the City and shall not be duplicated, used or disclosed – in whole or part – for any purpose other than to evaluate this submission, subject to the California Public Record Act. If, however, a contract is awarded to this prospective firm as a result of, or in connection with, the submission of this data, the City shall have the right to duplicate, use or disclose the data to the extent provided in the resulting contract. This restriction does not limit the City’s right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets (insert numbers or other identification of sheets).”

Mark each sheet of data Developer wishes to restrict with the following legend:

“Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this submission.”

***Submission Preparation Expenses***

The City will not in any event be liable for any contractual expenses incurred by the prospective firm. The prospective firm shall not include any such expenses as a part of the price proposed in response to this RFQ. Contractual expenses are defined as expenses incurred by the prospective firm in (1) preparing the submission in response to this RFQ; (2) submitting and delivering the submission to the City; (3) discussing and/or negotiating with the City on any matter related to this RFQ; or (4) any other expenses incurred by the prospective offer or prior to the date of award, if any, of a proposed contract.

***Misunderstandings***

All questions related to this Request for Qualifications and Proposals shall be submitted in writing via e-mail to [adupret@lynwood.ca.us](mailto:adupret@lynwood.ca.us) no later than July 24, 2017 at 4:00 p.m. Responses to questions will be distributed and published on the City website by July 27, 2017. The City’s decision shall be final in any matter of interpretation of the documents.

***Late Submissions***

It is the responsibility of each proposer responding to this solicitation to ensure that its submission is received by the City prior to the time specified in this RFQ. Any submission received by the City after the exact time specified for receipt is "late" and shall be date and time stamped and not considered for inclusion on the qualified list.

***Right to Reject Any or All Submissions***

This RFQ is not a contract offer, a request for technical services or an agreement to construct any project that may be proposed or otherwise submitted

and does not commit the City to create a qualified list, to enter into any exclusive negotiating agreement, disposition and development agreement, ground lease, or any other agreement, or to accept any part of any submission, including, without limitation, a selected submission, or to pay any costs incurred in submission of any submission. Should this process result in an Exclusive Negotiating Agreement, the execution of such agreement does not constitute a contract, agreement or promise that such agreement will lead to a Disposition and Development Agreement or Ground Lease, or that the City will agree to build or have built any proposed project.

### ***Protest and Appeal Process***

The City will adhere to the following Protest and Appeal Policy.

#### 1. Appeal Rights

The City will notify all proposers of the results of the submission evaluations and of their right to file an appeal. Proposers may appeal procedural issues only.

#### 2. Letter of Appeals

Appeals shall be hand-delivered to the City no later than five (5) business days of receiving notification of the results of the RFQ. Proposers may file an appeal by submitting a written request and identifying the specific reason for the appeal to:

Alma Martinez, City Manager  
RFQ Appeal – Affordable Housing Opportunity  
Site  
11330 Bullis Road  
Lynwood, CA 90262

Written appeals may not be more than three (3) typewritten pages and shall request an appeals review be granted. Written appeals must include the following information:

- a. The name, address and telephone number of the proposer.
- b. The name/title of RFQ to which the organization responded.
- c. Detailed statement of the grounds for appeal.

Written appeals may not include any new or additional information that was not submitted with the original submission. Only one appeal per submission will be permitted. All appeals and protests must be submitted within the time limits set forth in the above paragraphs.

#### 3. Review Panel

A panel composed of selected staff will review the appeal for this RFQ. The decision of the panel will be the City's final recommendation.

#### 4. Disclaimer

The City is not responsible for representations made by any of its officers or employees prior to the approval of an agreement by the Lynwood City Council unless such understanding or representation is included in this RFQ or in subsequent written addenda. The City is responsible only for that which is expressly stated in this solicitation document and any authorized written addenda.

**Affordable Housing Opportunity Site RFQ**  
**Exhibit B: Opportunity Site**

	<b>Site Name</b>	<b>Address / APN</b>	<b>Zip</b>
<b>1</b>	<b>Alameda Triangle</b>	<b>APN: 6169-002-904, 6169-002-905</b>	<b>90262</b>



## Affordable Housing Opportunity Site RFQ

### EXHIBIT B.1 Alameda Triangle

#### Property Description

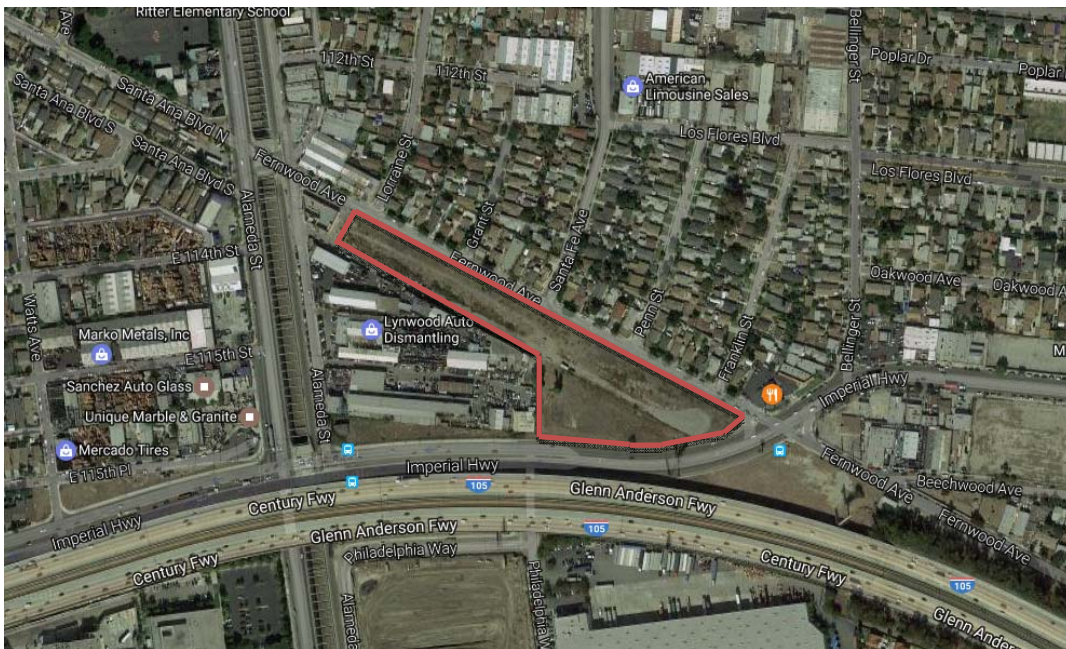
- Located on the south side of Fernwood Avenue between Alameda Avenue and Imperial Highway.
- Property is zoned M (Manufacturing)
- Potential future zoning is R-3 (Multi-Family Residential)
- APN: 6169-002-904, 6169-002-905, City Right-of-Way and 1.4 acres vacant land acquired from Caltrans and pending recordation.#
- Parcel size is approximately 5.63 acres.

#### Site Condition

#### Project Assumptions

The City's goal is to maximize supportive units on City-owned land to decrease homelessness and increase affordable housing opportunities in Lynwood. The RFQ invites developers to submit information that will enable them to be selected as qualified developers for construction of affordable housing.

Qualified developers are those who have a proven track record of successful completion of the development process from initial community engagement through project design, financing and development.



**Affordable Housing Opportunity Site RFQ**  
**Exhibit C: HOUSING TYPES**

The following housing types have been identified for the Affordable Housing Opportunity Sites:

**Permanent Supportive Housing**

This is a type of Affordable Multifamily Housing that is directly targeted to formerly homeless individuals or others who need intensive services. Permanent Supportive Housing is targeted to people who are homeless or chronically homeless. A homeless person is typically living on the streets, in a car, or in a shelter. A chronically homeless person has been homeless for a year or more or has had at least four episodes of homelessness in the past three years and has a disabling condition. These disabling conditions include physical health conditions, mental health issues, and substance addiction. Permanent Supportive Housing is characterized by significant operating subsidies that allow residents to pay no more than 30% of their income in rent, even if their income is low or nonexistent.

Another characteristic of Permanent Supportive Housing is that each resident has a case manager who connects the resident with existing programs in the community. A third characteristic is that some services are delivered on site. On site services may include life skills training, job training, and mental health counseling. Usually Permanent Supportive Housing does not require sobriety, participation in counseling is usually voluntary, and the housing is usually intended to be permanent, not time-limited or transitional. Permanent Supportive Housing has been shown to successfully stabilize residents, and it reduces the need for high-cost crisis care.

Typical financing sources for Permanent Supportive Housing include 9% Low Income Housing Tax Credit, County NOFA funds, the Affordable Housing Trust Fund, HUD or County operating subsidy, and grant-funded services.

**Veterans Supportive Housing**

The Federal Department of Housing and Urban Development in conjunction with the Department of Veterans Affairs has created the HUD-VASH program that combines HUD housing vouchers with VA supportive services to help Veterans who are homeless and their families find and sustain permanent housing.

Through public housing authorities, HUD provides rental assistance vouchers for privately owned housing to Veterans who are eligible for VA health care services and are experiencing homelessness. VA case managers may connect these Veterans with support services such as health care, mental health treatment and

substance use counseling to help them in their recovery process and with their ability to maintain housing in the community. Among VA homeless continuum of care programs, HUD-VASH enrolls the largest number and largest percentage of Veterans who have experienced long-term or repeated homelessness.

### **Innovative Methods of Housing**

Micro Housing, Stacked Modular Housing and Manufactured Housing are examples of types of innovative methods that would be considered under this RFQ. All innovative methods must meet City zoning code and building standards, as well as State codes where applicable.

### **Assembly Bill (AB) 744**

AB 744 is a State law which amends sections of the State Density Bonus Law and may potentially allow for a lower parking requirement than the city standard that is listed above. AB 744 is not addressed in the Affordable Housing Opportunity Sites Zoning Matrix. Here is a summary of the effect of AB 744 on parking requirements:

#### Eligible Projects:

- 1) 100% affordable developments
- 2) Mixed income developments consisting of 11% very low-income units or 20% low income units.

#### Parking Requirements:

- 1) For 100% affordable developments within ½ mile of a major transit stop, the City may not impose a parking requirement in excess of 0.5 spaces perunit.
- 2) For 100% affordable senior rental projects (62 and older) having either paratransit service or unobstructed access, within ½ mile, to fixed bus route service that operates at least eight times per day, the City may not impose a parking requirement in excess of 0.5 spaces per unit.
- 3) For 100% affordable rental special needs projects having either paratransit service or unobstructed access, within ½ mile, to fixed bus route service that operates at last eight times per day, the City may not impose a requirement in excess of 0.3 spaces per unit; and
- 4) For mixed income projects within ½ mile of a major transit stop, the City may not impose a requirement in excess of 0.5 spaces per bedroom.

A “major transit stop” is defined as a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. It also includes major transit stops that are included in the applicable regional transportation plan.

**Affordable Housing Opportunity Site RFQ  
Exhibit D: FORMAT OF SUMMARY FINANCIAL STATEMENTS**

**Balance Sheet**

<u>Current Assets</u>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Cash and Cash Equivalents			
Other Receivables			
<b>Total Current Assets</b>			

<u>Fixed Assets</u>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Land & Building Improvements			
Equipment			
Total Fixed Assets			
Less: Accumulated Depreciation			
<b>Fixed Assets Net Depreciation</b>			

<u>Other Assets</u>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Reserves			
Investment partnerships			
Total other assets			
<b>Total Assets</b>			

<u>Current Liabilities</u>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Current portion of long term debt			
Accounts payable			
Mortgage interest payable			
Security deposits payable			
<b>Total current liabilities</b>			

<u>Long term liabilities</u>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Mortgages payable			
Other notes payable			
Residual receipts notes payable			
Interest payable - long term			
Total long term liabilities			
<b>Total Liabilities</b>			

<u>Net Assets</u>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Unrestricted			
Temporarily unrestricted			
Permanently restricted			
Total net assets			
<b>Total liabilities and Net Assets</b>			

<u>Support and Revenue</u>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contribution and grants			
Development fees			
Rental income			
Property management income			
Asset management			
Debt forgiveness			
Other income and fees			
Net assets released from restrictions			
<b>Total Support and Revenue</b>			

<u>Expenses</u>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Housing development			
Rental operations			
Management			
Fundraising			
Change in net assets			
Distributions to members			
Net assets, beginning of the year			
Net assets, end of the year			

**Affordable Housing Opportunity Site RFQ**  
**Exhibit E: FORMAT OF PORTFOLIO SUMMARY**

Provide information for at least five recent housing projects completed by members of development team.

- A. Project Name
- B. Total Units
- C. City/State
- D. Total Development Cost
- E. Cost Per Unit
- F. List Financing Sources Above \$500,000
  - a.
  - b.
- G. Affordability Levels
- H. Project Type (Permanent Supportive, Family, Seniors, Disabled/Special Needs, Mixed Income, For Sale, Other)
- I. Development Team Members
- J. Architect
- K. Contractor
- L. Property Manager
- M. Service Provider, if any
- N. Sustainable Features
- O. Time to Complete
- P. Completion Date

**Affordable Housing Opportunity Site RFQ**  
**Exhibit F: SAMPLE EXCLUSIVE NEGOTIATING AGREEMENT**

**Exclusive Negotiation Agreement**

This AGREEMENT is made as of the Effective Date (defined in Section 14 below) by and between \_\_\_\_\_(DEVELOPER) and the Lynwood Housing Authority (LHA).

**RECITALS**

- A. The City of Lynwood currently owns the property consisting of \_ ( ) parcels located near the intersection of \_\_\_\_\_ and \_\_\_\_\_ in the City of Lynwood, as more particularly described on the legal description attached hereto as Exhibit "A" ( "Site") consisting of Parcel \_\_\_, at address \_\_\_\_\_, Assessor Parcel Number: \_\_\_\_\_, containing approximately \_\_\_ square feet and Parcel \_\_\_, at address \_\_\_\_\_, Assessor Parcel Number: \_\_\_\_\_, containing approximately \_\_\_ square feet. Parcel\_, at Address \_\_\_\_\_, Assessor Parcel Number: \_\_\_\_\_ containing approximately \_\_\_ square feet.
- B. In response to a Request for Qualifications (RFQ) issued by LHA, the DEVELOPER has submitted qualifications for a development project ("Project") at this Site (DEVELOPER's Submission).
- C. The qualifications submitted by DEVELOPER best support the type of affordable housing development conceptually envisioned by the City of Lynwood.
- D. On \_\_\_\_\_, 2017 the Lynwood City Council approved (Council File: \_\_\_\_\_) the selection of the DEVELOPER for the purpose of creating, in conjunction with City and community stakeholders, a full development plan for the project leading to negotiating the terms of a Development and Disposition Agreement ("DDA") and/or ground lease ("Ground Lease") pertaining to the Site under a 360 day Exclusive Negotiation Agreement ("Agreement").
- E. Together, LHA and the DEVELOPER (collectively referred to as "Parties", or if referred to in the singular form "Party") desire to negotiate exclusively for the development of the Project at the Site.

The Parties agree to negotiate exclusively and in good faith to enter into a DDA and/or a Ground Lease upon the following terms and conditions.

**Agreement to Negotiate Exclusively: Good Faith Negotiations** LHA agrees  
Lynwood – Veterans Housing RFP  
Page 31



that, during the Negotiation Period (as defined in Section 2 below) and provided that DEVELOPER is not in default of its obligations under this Agreement (subject to reasonable notice and opportunity to cure such default), LHA shall negotiate exclusively and in good faith with DEVELOPER, with respect to a DDA and/or Ground Lease to be entered into between LHA and DEVELOPER concerning the rights and obligations of each respective Party concerning the development of the Site. During the negotiation period, LHA shall not solicit or entertain offers or submissions from other third parties concerning the Site. DEVELOPER acknowledges, however, that LHA may, from time to time, be contacted by other developers respecting the Site and that such contact is expressly permitted so long as LHA initiates or furthers the contact and LHA indicates to such other developers that LHA has executed this Agreement with DEVELOPER and that LHA is unable to: (1) discuss anything concerning the Project; (2) discuss anything concerning these negotiations; (3) entertain any other offer or submissions; or (4) negotiate with any other developer until this Agreement expires or is terminated, as provided in Section 2 below.

The Parties agree, in consideration of this Agreement, to negotiate in good faith with each other with respect to the terms and conditions as set forth in the RFQ and the proposed project to be included in the DDA and/or Ground Lease and to cooperate in the preparation thereof. The Parties shall provide each other with any information regarding the Site or Project that may be reasonably requested by any other Party.

## **2. Period of Negotiation**

The Parties agree to negotiate in good faith for a period of 360 days from the Effective Date, as defined in Section 14 hereof (the "Negotiation Period"). If the Parties have not agreed upon the form of a draft DDA and/or the Ground Lease to be delivered to The City Council and Mayor by such date, then this Agreement shall automatically terminate provided, however, that if prior to the expiration of the Negotiation Period, the Parties have not agreed upon the form of a draft DDA and/or Ground Lease satisfactory to the Parties to be delivered to The City Council and Mayor, then the Parties may mutually agree to extend the term of this Agreement for an additional period of up to 90 days. If the Parties cannot agree upon such an extension, this Agreement shall automatically terminate.

The Negotiation Period may be extended only by written agreement between the Parties and LHA shall have the right to thereafter develop or dispose of the Site as it shall determine appropriate in its sole and absolute discretion.

This Agreement may also be terminated if the Parties agree in writing that a successful consummation of the negotiations is impossible.

### **3. Test and Surveys**

During the Negotiation Period, DEVELOPER shall conduct such tests, surveys, and other analyses as the DEVELOPER deems necessary to determine the feasibility of designing, constructing, leasing and financing the Project and shall complete such tests, surveys, and other analyses promptly within the Negotiation Period. For these purposes, LHA shall provide to DEVELOPER, its agents and/or representatives, the right to enter onto the Site and to conduct such tests, surveys, and other procedures (“Tests”). DEVELOPER shall take all necessary effort to ensure that such Tests shall not unreasonably alter the condition of the Site, or other LHA activities on the Site. DEVELOPER shall indemnify and hold harmless the City of Lynwood (“City”), and its departments (LHA), its Boards, Officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including but not limited to, attorney’s fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including DEVELOPER’s and any contractor’s and subcontractor’s employees and agents, or damage or destruction of any property of any property of the Parties hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to any such entry on the Site by DEVELOPER, its agents or representatives, provided that such indemnity shall not relate to existing Site conditions that differ substantially from existing plans and drawings, and could not have been discovered by reasonable visual inspection or reasonable and typical non-intrusive tests prior to any intrusive testing. DEVELOPER shall present LHA with evidence of a general liability insurance policy in an amount of at least \$1 million, naming the City of Lynwood as an additional insured. The insurance policy shall cover all liability and property damage arising from DEVELOPER’s employees’ presence on the Site during Tests. Any destruction or alteration of site features or surfaces resulting from the tests shall be fully replaced at the full expense of the Developer within ten (10) business days.

### **4. Essential Terms**

**A. DDA.** DEVELOPER’s rights and obligations shall be specifically set-forth in the DDA and shall include without limitation all of the following:

- 1) Project Description;
- 2) Scope of Development;
- 3) DEVELOPER Site Inspection rights;
- 4) The financial relationships between the parties
- 5) Method of land transfer and ownership rights
- 6) Design and construction of the Project, including LHA review,

- approval, and inspection rights, and DEVELOPER assurances;
- 7) Deposits and Costs Reimbursements;
  - 8) Schedules of Performance, including effect of change;
  - 9) Restrictions on Transfers;
  - 10) Covenants to enter into ground lease and other required agreements;
  - 11) Escrow provisions, including title, deliveries to escrow, conditions to close of escrow and delivery of Site, parts thereof;
  - 12) Insurance and Indemnity;
  - 13) Defaults, remedies and termination;
  - 14) Encumbrances and rights of lenders;
  - 15) Agreement on all other matters necessary to reach a full comprehensive agreement; and
  - 16) Restrictions on use of Site.

**B. Ground Lease.** The Ground Lease shall include, without limitation, provisions relating to all of the following:

- 1) Demise of the premises, including conditions, exceptions, representations and warranties;
- 2) Term, including options and extensions, if any;
- 3) Payment for Ground Lease based generally on the structure proposed in the original RFQ response, taxes and other charges (including appropriate security and bonds);
- 4) Restrictions on Transfers;
- 5) Encumbrances and rights of lenders;
- 6) Possessions, use, subleasing, operations, maintenance and compliance with laws;
- 7) Construction of improvements and operations, including LHA inspection and approval rights, and environmental matters;
- 8) Insurance, indemnity, damage, destruction and eminent domain;
- 9) Default, cure, dispute, remedies;
- 10) Termination and surrender of Site; and
- 11) Administrative provisions.

## **5. Development Goals for Site**

- a) Coordinate with LHA on the development and leasing of the Site.
- b) Provide for rental housing opportunities to low income individuals,

- families and/or homeless.
- c) Ensure that all uses on the Site are consistent with the local jurisdiction's adopted land use plans.
  - d) Create a development which increases mobility, economic development (including job creation), and meets other community needs.
  - e) Design of a development that meets community needs and standards.

## **6. Topics for Negotiation**

In addition, or as supplement to the Essential Terms, as described in Section 4, the topics for negotiation (to the extent of, and as limited by the terms of the Submission) shall include, among other things:

- a) Project assembly [e.g. re-subdivision of Site, maintaining current subdivision of Site, etc.];
- b) Structure of the transaction [include, e.g. structure of Ground Lease or leases, sales, exchanges, easements, as applicable];
- c) Method of calculating value and paying for Ground Lease based generally on the structure proposed in the original RFQ response;
- d) The terms of the proposed DDA, Ground Lease and other agreements as described in Section 4 above;
- e) Availability of the Site to the DEVELOPER;
- f) Proposed land uses and appropriate assurances regarding the continued use of the Project improvements for their original intent;
- g) Site layout and conceptual architectural and urban design plans;
- h) LHA's requirements upon DEVELOPER to ensure long-term affordability of rental units;
- i) Permanent financing plan, including strategy as it relates to LHA's Managed Pipeline;
- j) Aesthetic considerations;
- k) Quality and type of construction;
- l) DEVELOPER's responsibility to obtain environmental clearances, entitlements, and project financing;
- m) Terms of DEVELOPER's construction financing and LHA's right to approve same; and
- n) Project schedule and any other considerations necessary to fully implement the proposed Project in a timely fashion.

## **7. Deposit**

Prior to and as a condition precedent to the execution of this Agreement by LHA DEVELOPER shall submit to LHA a good faith non-refundable site control fee

("SITE CONTROL FEE") in the amount of \_\_\_\_\_ (\$ \_\_\_\_\_) in the form of cash or certified check to subsidize holding costs.

**8. Broker's Fees**

The Parties represent and warrant to each other that no broker or finder has been engaged, or is in any way connected with the transactions contemplated by this Agreement. In the event any claim for brokers' or finders' fees is made in connection with the transaction contemplated by this Agreement, the Party upon whose statement, representation or agreement the claim is made shall indemnify, hold harmless and defend the other Parties from and against such claims.

**9. Assignment**

As a condition to any proposed assignment of this Agreement, DEVELOPER shall be required to make full disclosure to LHA of the principals, officers, stockholders, partners, etc., and all other reasonable pertinent information concerning the assignee of DEVELOPER and its associates.

Except as to an assignment to an entity wholly controlled or wholly owned by DEVELOPER or a limited partnership in which DEVELOPER or an affiliate is a general partner, for which LHA's consent is not required, no assignment by DEVELOPER of its rights and obligations hereunder shall be made without the express written consent of LHA, which consent shall be given or withheld at the sole discretion of LHA. Upon any permitted assignment by Developer of its rights and obligations hereunder, DEVELOPER and the permitted assignee shall execute a written assignment agreement and the succeeding entity shall be deemed DEVELOPER for all purposes under this Agreement. Notwithstanding anything which may be or appear to be herein to the contrary, no assignment hereof by DEVELOPER shall relieve DEVELOPER of its obligations under this Agreement unless specifically agreed to in writing by LHA. DEVELOPER shall along with any request for approval of any assignments hereof, deliver to LHA the most recent financial statement and/or the financial statements of the assignee. LHA understands and acknowledges the proprietary nature of said information and, to the extent permitted by law, agrees not to disclose said information to any person or entity other than representatives of LHA or their consultants, having a need to know.

LHA shall not assess a fee for its approval or any assignment, except to the extent that it incurs direct third party expenses, consultant or legal fees related to approval of the assignment in which event the fee shall not exceed the total of the direct costs incurred by LHA related to approval of the assignment.

## **10. LHA Obligations**

During the Term of this Agreement, LHA shall deliver, within 15 days of receipt of written request thereof, any existing LHA information, studies, reports, site and construction plans or other documents which DEVELOPER may reasonably request to facilitate the Project design without cost or expense to DEVELOPER. The Parties shall cooperate to ensure timely review and revision of any DEVELOPER documents or plans.

This Agreement is an agreement to enter into a period of exclusive negotiations according to the terms hereof. LHA expressly reserves the right to decline to enter into a DDA and/or a Ground Lease in the event the Parties fail to negotiate either agreement to the satisfaction of LHA. Except as expressly provided in this Agreement, LHA shall have no obligations or duties hereunder and no liability whatsoever in the event the Parties fail to timely execute a DDA as long as they negotiate exclusively in good faith and cooperate in the preparation of the DDA and/or Ground Lease in accordance with Section 1 above.

Developer acknowledges and agrees that LHA has not agreed to fund, subsidize or otherwise financially contribute in any manner toward the development of the Project other than those representations contained in the LHA RFQ.

By its execution of this Agreement, LHA is not committing to or agreeing to undertake: (i) disposition of land to DEVELOPER; or (ii) any other acts or activities requiring the subsequent independent exercise of discretion by LHA, other than their good faith obligation to negotiate exclusively with DEVELOPER as provided herein.

The Parties recognize that one or more of the conditions to DEVELOPER's submission set forth herein may fail to be met as a result of subsequent studies, reviews and proceedings invoking the exercise of discretion by LHA or any public agency having regulatory jurisdiction. DEVELOPER shall bear all costs incurred as a result of compliance with the California Environmental Quality Act and the National Environmental Policy Act relating to Developer's joint development of the Project; including, but not limited to, preparation of an environmental report or any other required studies or documents.

## **11. Non-Liability of City Officials and Employees**

Without limiting the provisions set forth herein, no member, official, representative, director, attorney, or employee of LHA shall be personally liable to DEVELOPER or any successor in interest, in the event of any default or breach by LHA or any obligations under the terms of this Agreement, or of any amount which may become due to DEVELOPER or to its successor under the terms of this Agreement.

## **12. Plans, Reports, Studies and Investigation**

Upon written request by LHA, DEVELOPER shall provide the requesting agency, without cost or expense to that agency and without representation or warranty, copies of all plans, reports, studies, or investigations (collectively, "Plan") prepared by or on behalf of DEVELOPER which the DEVELOPER owns or has the copyrights to with respect to the Site and the Project. All Plans shall be prepared at DEVELOPER's sole cost and expense, and DEVELOPER agrees to indemnify, defend and hold harmless the City of Lynwood, its departments (LHA), and its members, representatives, employees, officials, directors, attorneys, successors and assigns (collectively, "Representatives") from losses, liability, claims, causes of action, injury or expense, including without limitation, reasonable attorneys' fees and costs (collectively, "Loss and Liabilities") arising from or in any way related to the cost of preparation of such Plans.

## **13. Developer's Responsibilities**

Without limiting any other provision of this Agreement, during the period of negotiations hereunder, DEVELOPER, at its sole cost and expense, shall prepare and submit the following documents and perform the following acts all in furtherance of the negotiation process:

**A. Submissions.** LHA and all agencies having regulatory jurisdiction will require planning and design approval for the Project. DEVELOPER shall meet with representatives of LHA to review and come to a clear understanding of the planning and design criteria required by these agencies. DEVELOPER, within 180 days after execution of this Agreement (subject to receipt of all plans and studies requested by DEVELOPER of LHA pursuant to Section 10), shall submit to LHA the following:

- a) Evidence of control or acquisition plan of any properties not owned by LHA but considered essential to the Project. Evidence shall be in the form of letters of intent from each of the owners stating commitment of land, economic terms and cost basis as well as a detailed action plan and schedule relating to the acquisition of the properties.
- b) Revised or updated Project design concept plan, including a site plan and sections as necessary to describe the proposed scope and schedule.
- c) Project development schedule including milestones for site control, financing commitments, design, environmental/entitlement, construction and completion.
- d) Financing plan/economic projection for the Project. The financing plan shall include a detailed statement of the overall estimated costs of construction and, to the extent it is then available: a) the source and availability of equity capital; and b) construction and long-term development financing. The economic projection shall estimate income to be derived from the Project,

and operating costs and debt service shall include a pro forma statement of Project return adequate to enable LHA to evaluate the economic feasibility of the proposed development of the Project. Prior to expiration of the Negotiation Period, DEVELOPER shall update the financing plan to include the source and availability of equity capital, construction and long-term financing if not previously included in the plan.

- e) Proposed term sheet for the Ground Lease (if applicable). The submission shall include without limitations
1. Term, including any options,
  2. Rent amount,
  3. Recognition of costs, if any, incurred by or for the benefit of any party to achieve design objectives or construction interfaces;
  4. Description of any reciprocal access rights related to the common use areas; and
  5. The general terms upon which DEVELOPER may enter into subleases.

**B. Cost Disclosure:** To support negotiation of the Ground Lease, the DEVELOPER agrees to disclose to LHA all costs and revenue projections for the proposed Project, including the terms under which the DEVELOPER has been able to obtain control of any other adjacent properties to be included in the Project.

**C. Further Information:** LHA reserve the right at any time to request from DEVELOPER additional or updated information including data, and commitments to ascertain the depth of the DEVELOPER's capacity and desire to lease and develop the Site expeditiously. LHA will provide a reasonable time for DEVELOPER to submit to the respective agency such additional information.

#### **14. Effective Date**

The Agreement shall be deemed effective upon the date on which this Agreement is executed by all Parties, as evidenced by the date of the last signature on the signature pages hereto (the "Effective Date").

#### **15. Entire Agreement**

This Agreement represents the entire agreement of the Parties with respect to the matters set forth herein. This Agreement may not be amended except in writing signed by all the Parties hereunder.

#### **16. Covenant Against Discrimination**

DEVELOPER shall not discriminate against nor segregate any person, or group of persons on account of sex, race, color, age marital status, religion, handicaps, creed, national origin or ancestry in the sale, lease, sublease, transfer, use,



occupancy, tenure, or enjoyment of the Site, nor shall the DEVELOPER establish or permit any such practice or practices of discrimination or segregation in the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the Site.

**17. Notices**

All notices required or permitted hereunder shall be delivered in person, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested to such party at its address shown below, or to any other place designated in writing by such Party.

DEVELOPER:

Name, Address, City, State, Zip  
Attention:

LHA:

City of Lynwood  
Attention: City Manager

Any such notice shall be deemed received upon delivery, if delivered personally or by FAX or email, (1) the next business day after delivery by a courier, if delivered by courier, and three (3) days after deposit into the United States Mail, if delivered by registered or certified mail.

IN WITNESS WHEREOF, LHA AND DEVELOPER have signed this Agreement as of the dates set forth below.

By:

\_\_\_\_\_  
City of Lynwood

By:

\_\_\_\_\_  
Approved as to form:  
Noel Tapia  
City Attorney  
By:

\_\_\_\_\_  
DEVELOPER