



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: September 5, 2023

TO: Paul Buddenhagen, City Manager

FROM: Chadrick Smalley, Community Development Director

SUBJECT: Resolution Of The City Council Of The City Of Emeryville Authorizing The Execution Of The Second Amendment Of The Professional Services Contract With David Paul Rosen And Associates To Provide Developer Selection, Negotiation And Closing Assistance Services Associated With The Christie Sites, Increasing The Contract Amount By \$50,000 To An As-Amended Total Amount Not To Exceed \$200,000 And Extending The Contract Term Ending To March 31, 2024

RECOMMENDATION

Staff recommends that the City Council approve the above-entitled resolution authorizing a Second Amendment to the David Paul Rosen and Associates (“DRA”) contract to increase compensation by \$50,000 from \$150,000 to \$200,000 and extend the contract term an additional three months to March 31, 2024, to negotiate a Land Disposition and Development Agreement associated with the Christie Sites.

BACKGROUND

The City owns three parcels at 5890, 5900 and 6150 Christie Avenue, which total 2.01 acres bounded to the north by Christie Park, to the west by Christie Avenue, to the east by the Marketplace Redevelopment Project, and to the south by a parking structure that serves an office building at 5850 Shellmound Way. Together, these properties comprise the “Christie Sites” (Assessor Parcel Numbers 49-1493-3, -4 and -5).

The Christie Sites were acquired using low and moderate-income housing funds by the former Emeryville Redevelopment Agency. Due to the Christie Sites’ status as a former redevelopment “housing asset”, California Health and Safety Code (“HSC”) Section 33334.16 applies, which requires activities to develop the properties for affordable housing to be initiated within five years from the date of transfer to the Housing Successor. Otherwise, the properties must be sold, and the proceeds deposited in the City’s Low-Moderate Income Housing Asset Fund.

For the Christie Sites, the time periods described in HSC Section 33334.16 commenced on the date that the California Department of Finance approved the property as a housing asset, or August 31, 2012. On July 25, 2017, the Emeryville City Council adopted Resolution No. 17-130, which extended the time to initiate development by five years, to September 1, 2022.

In September 2021, staff circulated a Request for Proposals for planning, environmental and financial feasibility analysis for development of the Christie Sites (the “RFP”). One proposal was received from David Paul Rosen and Associates (“DRA”) by the RFP submittal deadline of October 27, 2021. On January 18, 2022, the City Council adopted Resolution No. 22-03 authorizing the execution of a Professional Services Contract with DRA to provide developer selection, negotiation and closing assistance services associated with the Christie Avenue Sites.

DRA is a consulting firm specializing in financial and development advisory services for affordable housing, residential and mixed-use development. The firm was founded in 1980 and has worked with over 300 jurisdictions to deliver over \$10 billion in affordable housing development, representing over 100,000 units.

DISCUSSION

On June 1, 2022, staff released a Request for Qualifications and Proposals (“RFQ/P”) for Christie Avenue Sites Development Teams. The City received six proposals and DRA assisted staff in evaluating the proposals.

On November 15, 2022, the City Council adopted Resolution No. 22-153 selecting EAH Housing as the first-choice developer and on March 23, 2023, an Exclusive Rights to Negotiate (“ERN”) with EAH Housing was executed. The City has subsequently extended the term of the ERN from September 19, 2023, to March 17, 2024, to allow for EAH to finalize their community engagement on the design of the Christie Sites and to complete the negotiation of the terms and conditions of the proposed Lease Disposition and Development Agreement (“LDDA”).

On January 1, 2023, staff administratively amended the Professional Service Contract with DRA to extend the term of the contract from December 31, 2022, to December 31, 2023. Due to the extended time necessary for the City and EAH to complete the negotiations of the LDDA, staff is recommending the City Council authorize a second amendment to the Professional Service Contract with DRA to extend the term to March 31, 2024, and to increase the contract amount by \$50,000 related to the additional staff time needed to complete negotiations.

FISCAL IMPACT

The Second Amendment to the Professional Services Contract will increase the contract amount by \$50,000 to a not-to-exceed amount of \$200,000. Pursuant to the ERN, EAH Housing provided a non-refundable deposit of \$100,000 to the City to support the City’s costs of negotiating the LDDA, and these funds were appropriated to the City’s Affordable Housing Fund (Fund 299). Consequently, the City’s Operating Budget for Fiscal Years 2023-2024 and 2024-2025 includes sufficient funding in the Affordable Housing Fund, Professional Services line item (Account 80050) for the proposed contract amendment.

STAFF COMMUNICATION WITH THE PUBLIC

Staff has had no communication with the public related to this proposed Professional Services Contract amendment.

CONFLICT OF INTEREST

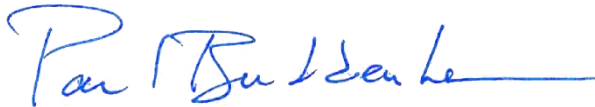
None.

CONCLUSION

Staff recommends that the City Council adopt the attached resolution authorizing the Second Amendment to the Professional Services Contract with DRA to provide developer selection, negotiation and closing assistance services associated with the Christie Avenue Sites for a total contract amount not to exceed \$200,000.

PREPARED BY: Valerie Bernardo, Community and Economic Development Coordinator II

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Paul Buddenhagen, City Manager

ATTACHMENTS:

- DRA Professional Services Agreement
- DRA Professional Services Agreement 1st Amendment
- Draft Resolution, including Exhibit A, Second Amendment to Professional Services Contract with David Paul Rosen and Associates