



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: January 18, 2022
TO: Christine Daniel, City Manager
FROM: Charles S. Bryant, Community Development Director
SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Execute A Professional Services Contract With David Paul Rosen And Associates To Provide Developer Selection, Negotiation And Closing Assistance Services Associated With The Christie Sites For A Total Contract Amount Not To Exceed \$150,000**

RECOMMENDATION

Staff recommends that the City Council adopt the above-entitled resolution authorizing the City Manager to execute a Professional Services Contract with David Paul Rosen and Associates (“DRA”) to provide developer selection, negotiation and closing assistance services associated with the Christie Sites for a total contract amount not to exceed \$150,000.

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 period to initiate development by five years, to September 1, 2022.

The Planning Commission and City Council each held study sessions regarding the Christie sites on December 11, 2014 and February 3, 2015, respectively. On January 18, 2022, the City Council is scheduled to hold a study session to revisit the input provided in the prior study sessions and provide direction to staff on the City Council’s priorities for

the development of the Christie Sites. This input will inform the preparation of a Request for Proposals/Qualifications (“RFQ/P”) for a developer partner for the Christie Sites.

DISCUSSION

In September 2021, staff circulated a Request for Proposals (“RFP”) for planning, environmental and financial feasibility analysis for development of the Christie Sites. Proposals were due on October 27, 2021, and the City received one response to the RFP, from DRA.

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. The firm has deep experience with complex financial transactions and maintains a proprietary model for evaluating development projects. DRA’s experience with developer selection and negotiation has involved engagements with the Housing Authority of the City of Los Angeles (HACLA); the cities and redevelopment agencies of San Diego, Oakland, Long Beach, Poway, Oceanside, Berkeley, Vallejo, and Windsor; the Chicago Housing Authority; the San Diego Housing Commission, and the Fair Housing Council of Riverside County.

DRA’s proposal responded to the RFP’s request for creative approaches to the scope of work and demonstrated an understanding of the challenges created by the time periods for development activities prescribed by HSC 33334.16. Specifically, DRA proposed an alternative approach, using a developer solicitation and review process to discover the range of possibilities for development of the Christie Sites and evaluate financial feasibility while providing transparency and opportunity for community engagement. DRA also recommended that the City directly engage an environmental consulting firm to advance site characterization and identification of remediation methods and costs to the extent possible, in parallel with the developer selection process.

DRA’s proposed scope (included in the Professional Services Contract, which is Exhibit A to the attached Resolution) includes a two-step RFQ/P process, where developer submittals are reviewed for experience and financial capabilities to determine a short list of candidate developers. The short-listed developers’ proposals then are evaluated for marketability, financial feasibility and reasonableness/competitiveness of assumed leveraged financing sources. DRA will also provide assistance in negotiating with the selected developer, including development of a term sheet of key business terms, an exclusive right to negotiate agreement, and a lease disposition and development agreement.

Proceeding with the developer solicitation process immediately while beginning environmental characterization in parallel is the most expeditious pathway to development of the Christie Sites. DRA has demonstrated that they possess the

experience and qualifications to assist the City in developer selection, negotiation and closing.

FISCAL IMPACT

The total proposed contract amount is \$150,000. The City's Capital Improvement Program for Fiscal Years 2019-2020 through 2023-2024 includes sufficient funding in Project H-02, "6150, 5890 and 5900 Christie Housing" for the proposed contract. Additionally, the Affordable Housing Bond Administration and Expenditure Plan programmed \$250,000 from the Affordable Housing Fund (Fund 299) for the Christie Sites. Provided the RFQ/P process results in the selection of a developer, staff will seek reimbursement of the costs of the contract with DRA as part of negotiations of financial terms.

STAFF COMMUNICATION WITH THE PUBLIC

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

CONFLICT OF INTEREST

None.

CONCLUSION

Staff requests that the City Council adopt the attached resolution authorizing the City Manager to execute a Professional Services Contract with DRA to provide developer selection, negotiation and closing assistance services associated with the Christie Avenue Sites.

PREPARED BY: Chadrick Smalley, Economic Development and Housing Manager

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



Christine Daniel, City Manager

ATTACHMENTS:

- Draft Resolution
 - Exhibit A, Professional Services Contract with David Paul Rosen and Associates