



City of Emeryville

INCORPORATED 1896

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MEMORANDUM

DATE: September 17, 2019
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 Release Of A Request For Qualifications And Proposals For The Design And Development Of An Affordable Senior Or Intergenerational Rental Housing Development At 4300 San Pablo Avenue**

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution authorizing the release of a Request for Qualifications and Proposals (RFQ/P) for the design and development of an affordable senior or intergenerational rental housing development at 4300 San Pablo Avenue.

BACKGROUND

On April 18, 2017, the City Council adopted Resolution No. 17-51 designating 4300 San Pablo Avenue (the "Site") as an affordable senior rental housing development site and authorizing staff to issue an RFQ/P. The RFQ/P was issued on April 24, 2017.

At the City's RFQ/P pre-submittal meeting on May 8, 2017 several potential developers expressed concerns that, given the maximum permitted residential density and floor area ratio ("FAR") on the Site, it was impossible to design a project that would be financially viable. With this feedback, staff examined the designations in the vicinity of the Site and noted that the parcels across from the Site on the western side of San Pablo Avenue were designated for higher development potential as expressed by the FAR, height, and residential density limits of the General Plan and Planning Regulations. In order to accommodate more housing in this area and to make the development regulations consistent on both sides of San Pablo Avenue, staff proposed amendments to the General Plan and Planning Regulations to increase the maximum development potential of an area of approximately 2.5 acres along the east side of San Pablo Avenue, including the Site.

On October 30, 2018, the City Council adopted Resolution No. 18-153 amending the General Plan to increase the maximum development potential that could occur within an area that included the 4300 San Pablo Site. At the same time, the City Council adopted the first reading of an ordinance amending the Planning Regulations to ensure consistency between the amended General Plan and the Planning Regulations. On

November 13, 2018, the City Council adopted the second reading of the ordinance (Ordinance No. 18-005).

Staff was prepared to issue the RFQ/P with the new densities. However, at its December 10, 2018 meeting, the City Council directed staff to schedule a future agenda item to reconsider the proposed project at the Site to include intergenerational housing rather than a project restricted to senior households.

On January 18, 2019, the City Council directed that the RFP/Q for the design and development of a senior affordable housing project at the Site be delayed to allow time to further research the concept of intergenerational housing, and to refer the project concept to the Commission on Aging and the Housing Committee.

On March 13, 2019, staff presented the concept of intergenerational housing and a revised RFQ/P that would accommodate the development of intergenerational housing at the Site to the Commission on Aging, which unanimously endorsed the concept and recommended the City Council approve the revised RFQ/P.

On April 3, 2019 the Housing Committee took action to unanimously recommend that the City Council authorize the release of the revised RFQ/P, with minor amendments to incentivize proposals for intergenerational housing.

During this same period the modular buildings currently located on the Site were identified as a potential location for a temporary emergency shelter for families experiencing homelessness. On August 22, 2019, the Planning Commission approved planning permits for the East Oakland Community Project (EOCP) to operate a temporary emergency shelter for families for 18 to 24 months until the City of Oakland develops a permanent facility in Oakland. As a separate item on the September 17, 2019 agenda, the City Council will be considering executing a license with EOCP to allow EOCP to use the Site as a temporary emergency shelter. Development of the Site for senior or intergenerational housing, including developer selection, planning entitlements, and building permits, is expected to take between two to three years, which allows for this interim use of the Site.

DISCUSSION

Staff has revised the RFQ/P (Exhibit A of the attached Resolution) for development of the Site as 100% affordable senior or intergenerational rental housing. The RFQ/P is intended to focus the attention of applicants on financial considerations by implementing a two-phase application process: Phase 1 will request applicants to submit a feasibility analysis (including a cost analysis, site capacity and yield analysis, as well as a pro forma feasibility analysis) whereas Phase 2 will allow selected applicants to further develop their physical designs and financial proposals.

The RFQ/P will be distributed to a list of affordable housing developers who provide housing in the Bay Area and to market rate housing developers who have either expressed interest in developing units in Emeryville or who have developed units in Emeryville in the past. The RFQ/P includes the following sections:

- Purpose and Objectives of the RFQ/P. The objectives of the RFQ/P are to select a qualified developer, to implement an affordable housing project that serves extremely low, very low-, and low-income senior or intergenerational households, to meet the goals and objectives of the Housing Element and the City's Design Guidelines, to minimize the City's financial assistance and to ensure the project's financial sustainability.
- Project Description: Number of parcels, total size and location of project site, adjacent land uses, and zoning requirements.
- Design Considerations: Design Guidelines, Green Design, San Pablo Avenue Urban Design Plan.
- Environmental Considerations: Environmental remediation and compliance with California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA), if applicable.
- Development Considerations: Target population, City subsidy, and leveraging.
- Submittal Requirements: Information to allow the City to evaluate the development and financial proposal, the strength of the development team, and the team's management experience. Submittal requirements are separated into two phases: all applicants are required to submit Phase 1 materials, and after review of the Phase 1 submittals staff will request Phase 2 proposals from the highest rated proposers.
 - o Items to be included in the proposal packet for Phase 1 are: A title sheet, a project information sheet, a one-page development proposal, a layout and massing proposal, a feasibility analysis, qualification and experience of the firm and project team, references, and financial information.
 - o Items to be included in the proposal packet for Phase 2 are: a project information sheet, a development proposal (possibly updated from Phase 1), renderings and design proposals, a summary of the community benefits provided by the project, a one-page statement of planned community outreach, and a proposed environmental performance narrative.
- Developer Selection Process and Project Schedule: Pending approval by the City Council, the RFQ/P is scheduled to be released on September 24, 2019. There will be a mandatory pre-submittal meeting and site walk on October 1, 2019 from 10:00 am to 12:00 pm and Phase 1 Proposals are due on October 18, 2019. Staff will review the proposals for responsiveness and completeness and will select semi-finalists that will be invited to submit Phase 2 proposals by late December. Staff will review the final proposals and will work with a subcommittee of the Housing Committee to develop a recommendation to be forwarded to the City Council in March.

After the City Council has selected a developer, the developer and the City will enter into an Exclusive Right to Negotiate Agreement (ERN), and, after entering into the ERN, the developer and the City will negotiate a Lease Disposition and Development Agreement (LDDA).

FISCAL IMPACT

The 2020-2024 Capital Improvement Program (CIP) includes \$1,225,000 for a development subsidy for the 4300 San Pablo Avenue Affordable Housing Project ("Project") Additional subsidy is expected to be required for the Project, consequently the CIP also identifies a need for \$6,375,000 in unfunded/potential bond funds for the Project in Fiscal Year 2020/2021. While staff will include the Project in future discussions regarding an expenditure plan for the Affordable Housing Bond funds, developers will be encouraged to identify additional financial resources that can assist the project.

STAFF COMMUNICATION WITH THE PUBLIC

There has been no staff communication with the public on this issue.

CONCLUSION

Staff is requesting the City Council to approve the release of the RFQ/P for 4300 San Pablo for Affordable Senior or Intergenerational Housing.

PREPARED BY: Valerie F. Bernardo, Housing Coordinator

REVIEWED 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 – Request for Qualifications/Proposals (without attachments)