



Tim Keller, Mayor

December 9, 2024

To: China Osborn, MRA Project Manager

From: Jennifer Jackson, MRA Deputy Director

Subject: Housing Conversion RFP (#01-2025) funding recommendation

The Metropolitan Redevelopment Agency received three applications for its Housing Conversion RFP (01-2025). A review committee convened twice, on November 1 and December 6, 2024, to review and score the applications. After the first meeting, the review committee determined that additional information on the budget and project timing was required of all three applicants. Applicants were given about two weeks to respond to the request for additional information. Two of the three applications submitted additional information on project budgets and the status of funding. The third, the El Don Motel, was deemed ineligible after not responding to the request for clarification and deciding to transfer ownership of the building.

After review of the remaining two eligible Housing Conversion RFP applications on December 6, 2024, the review committee found both applications to be very close in scoring. Given that the RFP allows the MRA to make multiple awards, the review committee makes the following recommendation:

- \$2 million to Park Central
- \$2 million to Lomas Tower

A recommendation of a split award is in response to uncertainties around both of these projects, including significant potential financing gaps, which make the chance of project success unclear for each.

To ensure that funds are not tied up long-term in a project that does not move forward, the committee recommends the following basic development agreement structure.

- Each applicant must demonstrate ownership of all relevant parcels involved in the proposed project within four months of award notification (Park Central already meets this criterion). If this benchmark is not met, MRA reserves the right to not move forward with development agreement negotiations.
- Groundbreaking must happen within 12 months of development agreement signature.
- Up to 85% of funds will be disbursed on a reimbursement basis, with developer submitting receipts for work that can be verified via site visits.
- The final 15% of funds shall be withheld until the developer can produce certificates of occupancy for all relevant residential and commercial spaces. This milestone should occur no later than two years after groundbreaking.

If one of the awardees fails to meet the above timeline and milestones, the City reserves the right to reallocate the remaining funding to the other Housing Conversion project, pending City Council approval, or to distribute the remaining balance via another Housing RFP. If both projects fail to meet the timeline, funds will revert back to MRA and HHH, respectively.