BEACH CITIES HEALTH DISTRICT REQUEST FOR EXPRESSION OF INTEREST (RFEOI) FORMER SOUTH BAY HOSPITAL REDEVELOPMENT

Issue Date:	June 30, 2025
Expression of Interest Due Date:	**August 7, 2025**
Expression of Interest Directed To:	Beach Cities Health District
Expression of Interest Contact:	Monica Suua
	Monica.Suua@bchd.org

Number of Expression of Interest Copies: 1 electronic copy

Complete the section below and include with submission documents. By signature hereto, the Respondent certifies that all representations and certifications contained in its response are complete and accurate as required.

Respondent:

Name of Respondent Firm: Hope for New Beginnings LP

Name of Authorized Representative: Adam Kent

Signature: Adam Kent

Title: CEO

Date: August 7, 2025

Phone #: 818-298-5614

Federal Emp. ID# ______

Fax #: ______

E-mail address: adam@hope4la.org

3.2. Qualifications and Experience

3.2.1. Identify Respondent's firm principals/officers that will be directly involved in the project; applicable licenses, certifications and awards; affiliated firms.

DECRO Corporation
3431 Wesley Street, Suite F
Culver City, CA 90232

Ted Handel
Fathia Macauley
Armeen Neshat

Hope for New Beginnings LP
9744 Wilshire Blvd., Suite 311
Beverly Hills CA 90212

Ramtin Rafiee
Adam Kent

3.2.2. Describe the qualifications, experience and success of the Respondent firm, all associated firms, and of the proposed key team-members with real estate development projects comparable to the BCHD project. Include project methodologies, designers and planners, contractors, project management, timely completion and budget adherence.

3.2.3. Describe the qualifications, experience, and success of the Respondent, all associated firms, and of the proposed key team-members in developing and operating health programs and health facilities.

3.2.4. Identify and justify proposed, probable or representative project team key- members—architects, contractors, specialty consultants, etc.

DECRO Corporation ("DECRO" or "Respondent") is a nonprofit organization that develops, constructs, and maintains affordable housing, mixed-use developments, and service-enriched communities for low and very low-income, at-risk, and special needs individuals, families, and seniors. DECRO pursues businesses and capital to revitalize neighborhoods, stimulate economic opportunity and promote job growth. DECRO partners with national social enterprises, local nonprofit community development corporations, for-profit developers, public agencies, private financial institutions, tax credit investors, social service providers, and other stakeholders to create secure and enriching environments that promote individual growth and family stability, and encourage residents to participate economically, educationally and spiritually in their community.

DECRO is proud of the relationships that it has developed with, among others, The People Concern, St. Joseph Center, VIP Community Mental Health Center, Downtown Women's Center, and Korean Resource Center. The staff and other resources that these social service providers offer to residents of DECRO's projects enables these residents to take full advantage of the doors that have been opened to them and allows residents to grow and become contributing members to our communities. With this experience and resources, together with the support of social service providers, DECRO creates housing that promotes individual growth and family stability and fosters residents' economic, educational, and spiritual participation in their communities.

DECRO's greatest strength lies within its ability to develop and execute on housing solutions "outside the box." DECRO's Board and staff apply a creative, innovative approach toward the design, financing, construction, and operation of permanent supportive and affordable housing projects to meet the housing needs of people as well as mixed-use developments which provide access to essential resources for the communities in which DECRO's projects are located.

Hope for New Beginnings ("Hope" or "Respondent") is an affiliate of the owner and operator of a portfolio of affordable supportive housing in Los Angeles. With a team of about 50 employees, Respondent is programmatically rehabilitating a portfolio of 1,194 supportive units, owns an additional 463 affordable units, and has plans to add an additional 1,200+ affordable units this year, for a total of 2,857 affordable units under operation. Part of this endeavor includes taking advantage of various funding programs that promote health through housing. Respondent seeks to promote community health support through on-site case management services, and other clinical services, at its properties.

Respondent's principals have led private commercial real estate investment and development activities in Southern California for 15 years; specializing in the adaptive reuse of historic properties, leveraging subsidies for housing, stabilization of affordable housing properties that offer robust services to their residents, and creating stable communities for the residents of Southern California.

3.3. Respondent's Vision/Concept for the Redevelopment Project Describe how the <u>project as outlined above could be best redeveloped by the Respondent.</u> <u>Include:</u>

3.3.1. Uses and occupancies of all facilities and how they are consistent with healthcare districts requirements in Section 2.2.

A. **<u>Concept</u>**: intergenerational program of mixed housing and health complex primarily oriented towards the aging population of the area consisting of:

- 368 units (~1,250sf/), including 26 affordable housing and 100-150 senior units
- 160ksf of Residential Care For the Elderly

620ksf total program which would utilize and support the existing healthcare tenants and services on the balance of the site

B. **<u>Benefits</u>**:
Broad community benefits: mixed housing from market rate to assisted living
Solving BCHD's current BCHIP project, *allcove* with Berly Lot available for sale

3.3.2. Planning and design concepts. Provide graphic illustrations if they may be helpful.

3.3.3. Extent to which development will address BCHD aspirations in Section 2.1.

- **<u>Certifications</u>**. Dedicated to building and operating at high standards to align with BHCD: LEED Gold Certified, WELL Certified and Blue Zones Project Building Certification.

- **<u>Design goals</u>**:

  - Robust thermal envelope with advanced insulation and air sealing.
  - Passive heating/cooling and ventilation, natural daylight maximization, operable windows.
  - Renewable energy throughout including roof-top solar, and no natural gas.
  - Healthy indoor air quality.
  - Interior materials to prioritize human health and well-being with a biophilic focus.
  - Efficient building systems, replaceable to lower expenses and maintain durability
  - Separately metered utilities to promote ownership and conservation throughout.
  - Goal for a window-to-wall ratio lower than 40%.
  - Goal for a skylight-to-roof ratio lower than 5%.
  - Passive house envelope ratings goals.
  - Prioritize natural daylighting to reduce electric lighting usage.
  - Durable building design for resiliency.

3.3.4. Conceptual financing strategies.

A. **<u>Option to ground lease</u>**. Immediate cash for BCHD and assistance in development of current *allcove* site. Respondent proposes a 5-year option to enter a 99-year lease for the 4.6-acre site. Option payments of $150k/year to BCHD to entitle and get approvals for a redevelopment project. Thereafter, triple net ground rent of $1.5M/year. If successful with entitlements, option payment and predevelopment costs (to a maximum of $5M) to be credited towards ground rent payments due.

B. **<u>Developer pays all costs</u>**. All predevelopment costs paid by Respondent mitigating risk for BCHD.

C. **<u>Option to purchase the Vacant Beryl Lot</u>**. Respondent would obtain the option to purchase the Vacant Beryl Lot at $3M while the above-referenced ground lease option is effective.

D. **<u>Assist BCHD in Repositioning *allcove*</u>**. Respondent to assist BCHD to potentially find a home within the Site. To save on time and mitigate against increasing building costs with a fixed grant amount, instead of a new build, BCHD should retrofit the 510 building for *allcove*; proceeds from option payment/sale can fund the buyout of the current tenant and use the BHCIP dollars on the build out/lease rate there. This youth component helps to support Developer's concept of an intergenerational hub within the community.

3.3.5. Conceptual revenue sharing strategies, if applicable.

- **<u>Year 20 revenue share potential</u>**. After 20 years from Certificate of Occupancy ground rent escalates to the greater of ground rent or 10% of gross revenue.

3.3.6. Potential challenges and obstacles to the success of the project.

- Community support for market rate housing on the site as part of an intergenerational mixed housing community.

3.3.7. Any unique approaches to the scope or execution of the project.

- Creative way to solve multiple issues presented with the site including BCHD's current *allcove* project, the community's need for housing, the focus of a center for health, and the desire help residents remain in their community as they continue to advance in age.

3.4. Required Disclosures

Provide the following disclosures:

3.4.1. A disclosure of the Respondent's name and address and, as applicable, the name and address of any company or venture that owns or has a majority stake in the firm, and the names of its key principals, officers and directors.

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3.4.2. Provide information regarding any major contract that had been terminated for any reason within the last 5 years, involving the Respondent and any of its key team members.

None

3.4.3. Identify any conflicts of interests of the Respondent, proposed subcontractors and key team members and affiliates with BCHD or its affiliates, or any of BCHD's employees or Board members, currently or any foreseen in the future.

None

3.5. Insurance Requirements

3.5.1. Provide copies of all proof of insurance for Worker's Compensation per California requirements, and Comprehensive Public/General Liability $2,000,000 per occurrence.