



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: June 6, 2017

TO: Carolyn Lehr, City Manager

FROM: Charles S. Bryant, Community Development Director

SUBJECT: Resolution Of The City Council Of The City Of Emeryville Appropriating \$112,800 From The Housing Asset Fund (Fund 298) To The Fiscal Year 2016-2017 Capital Improvement Program Budget For The 3706 San Pablo Avenue Housing Project (Project No. 11468003) For Construction Administration And Authorizing The City Manager To Execute A Professional Services Agreement With Robert G. Haun For Construction Monitoring Services For The 3706 San Pablo Avenue Affordable Housing Project For An Amount Not To Exceed \$112,800

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution appropriating \$112,800 from the Housing Asset Fund (Fund 298) to the Fiscal Year 2016-2017 Capital Improvement Program Budget for the 3706 San Pablo Avenue Housing Project (Project No. 11468003) for Construction Administration and authorizing the City Manager to execute a Professional Services Agreement with Robert G. Haun for construction monitoring services for the 3706 San Pablo Avenue Affordable Housing Project for an amount not to exceed \$112,800.

BACKGROUND

Property Acquisition

In December 2010 and June 2011, prior to its dissolution, the Emeryville Redevelopment Agency purchased 3706 San Pablo Avenue and 1025 West MacArthur Boulevard, respectively, (the "Site") and assembled the two properties as a 1.2-acre parcel for an affordable housing development.

The Site was acquired by the former Redevelopment Agency with funding from its Low and Moderate Income Housing Fund. Following dissolution of Redevelopment, the Site was transferred from the Successor Agency to the City as Housing Successor.

Request for Qualifications/Proposals

On September 4, 2012, the City Council approved a Request for Qualifications/ Proposals (RFQ/P) for redevelopment of the site as 100% affordable family housing. The City received nine responses to the RFQ/P, and on October 15, 2013, the Council selected EAH as the Developer and authorized the City Manager to negotiate an Exclusive Right to Negotiate Agreement (ERN) with them.

Project Description

The 3706 San Pablo Avenue Project (Project) includes 87 units, of which one is a three-bedroom market rate manager's unit and the other 86 units are affordable units. The 86 affordable units include 4 studios, 8 one-bedroom units averaging 680 square feet, 45 two-bedroom units averaging 950 square feet, 22 three-bedroom units averaging 1,290 square feet, and 7 four-bedroom units averaging 1,400 square feet. The units are stacked flats in a four-story wood framed structure over a parking podium with a brick façade, and will include five units intended to be designated as Housing Opportunities for Persons with AIDS (HOPWA) and 6 units prioritized for Developmentally Disabled tenants. The residential units are arranged around the perimeter of the podium, creating a central courtyard of approximately 6,180 square feet for active and passive children's play equipment, landscaping and outdoor furniture. The main entrance to the Project is at the northwest corner of the Site where San Pablo Avenue and West MacArthur Boulevard intersect, with adjacent community space, and approximately 7,000 square feet of commercial space fronting San Pablo Avenue. The Project will provide approximately 102 parking spaces, including 87 resident spaces, 3 guest spaces, and 12 retail spaces. The building height is approximately 60 feet.

Project Funding

On April 16, 2015, the City Council adopted Resolution No. 15-32 approving a Ground Lease Disposition and Development Agreement (DDA) and the City subsequently entered into the DDA with EAH.

On February 16, 2016, the City committed to providing a Development Loan in the amount of \$3,500,000 to EAH. On November 15, 2016, the City committed to providing an additional Development Loan in the amount of \$1,000,000 to EAH for a total loan of \$4,500,000.

On May 16, 2017, the City Council adopted Resolution No. 17-68, authorizing the City Manager to execute a First Amendment to the DDA and authorizing the City Manager to enter into a Loan Agreement in the amount of \$4,500,000.

DISCUSSION

As part of its normal practice, the City hires a construction monitor for housing projects in which the City has a significant investment. Construction monitoring will assure that the City meets its investment objectives by assuring quality construction that will guarantee the long-term viability of the project and its compliance with accessibility standards. The scope of construction monitoring includes review of project documentation, attendance at progress/draw meetings, performance of monthly walk-throughs, recommendation of approval of monthly payment applications, review of proposed change orders, management of lien notices and releases, review and close-out, provision of progress reports and performance of detailed accessibility reviews, to assure the HUD-required disabled units meet Uniform Federal Accessibility Standards.

Mr. Robert G. Haun, a retired Director of Public Works, has more than forty years of experience in construction project management ranging from residential infill to office high-rise and large public works projects. For the past twenty years, he has provided construction consultation services to municipalities and other government agencies including the City and County of San Francisco and the University of California, Berkeley. He has also previously successfully monitored the construction of the Magnolia Place and the Ambassador projects for the City of Emeryville.

In light of Mr. Haun's depth of experience with this type of work, staff requested and received a proposal for \$112,800 from Mr. Haun to provide 31 months of construction monitoring for the 3706 San Pablo Avenue Affordable Housing Project, from June 2017 through December 2019. The proposed Professional Services Agreement (PSA) with Robert G. Haun is presented as Exhibit A to the attached Resolution.

The construction monitoring services provided by Mr. Haun are unique, as most jurisdictions rely on the participating banks' monitors for their projects. Because very few, if any, area cities hire independent construction monitors for their housing projects, staff knows of no other individuals or firms providing this service with Mr. Haun's depth of experience. Mr. Haun also possesses unique experience and understanding of the City's specific standards, requirements and expectations for affordable housing projects due to his past work with the City. Consequently, staff is recommending the City Council authorize execution of a sole-sourced PSA with Mr. Haun for construction monitoring.

FISCAL IMPACT

The \$112,800 in funds for this PSA are available in the Housing Asset Fund (Fund 298).

STAFF COMMUNICATION WITH THE PUBLIC

There was no staff communication with the public.

CONCLUSION

Staff recommends that the City Council adopt the attached Resolution appropriating \$112,800 from the Housing Asset Fund (Fund 298) to the Fiscal Year 2016-2017 Capital Improvement Program Budget for 3706 San Pablo Avenue Housing Project (Project No. 11468003) for Construction Administration and authorizing the City Manager to execute a PSA with Robert G. Haun for construction monitoring services for the Project in an amount not to exceed \$112,800.

PREPARED BY: Catherine Firpo, Community and Economic Development Coordinator II

REVIEWED BY: Chadrick Smalley, Economic Development and Housing Manager

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



Carolyn Lehr, City Manager

ATTACHMENTS

1. Resolution
2. Exhibit A to Resolution, PSA with Robert G. Haun