



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: July 10, 2018

TO: Carolyn Lehr, 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 Agreement (PSA) With Callander Associates For Design Services For The 40th Street/San Pablo Avenue Median Rehabilitation Project In An Amount Not To Exceed \$66,565 And To Execute An Amendment To The PSA In The Future To Add Up To \$40,000 In Additional Scope If Required To Accommodate The 40th Street And San Pablo Avenue Transit Hub Project**

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution authorizing the execution of a Professional Services Agreement (PSA) with Callander Associates for design services for the 40th Street and San Pablo Avenue median rehabilitation project in an amount not to exceed \$66,565, and the execution of an amendment to the PSA in the future to add up to \$40,000 in additional scope if required to accommodate the 40th Street and San Pablo Avenue Transit Hub project.

BACKGROUND

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, with the approval of the Emeryville Oversight Board and the California Department of Finance. Accordingly, the Site is a housing asset of the City as Housing Successor and must be developed with affordable housing.

On October 15, 2013, after circulating a Request for Qualifications/Proposals for development of the Site with affordable housing, the Council selected EAH Housing (EAH) as the developer and on June 23, 2014, the City entered into an Exclusive Right to Negotiate (ERN) with EAH. During the term of the ERN, EAH and the City negotiated a Ground Lease Disposition and Development Agreement (DDA) and entitlements were approved for an 87-unit affordable housing project.

On April 16, 2015, the City Council adopted Resolution No. 15-32 and the City entered into the DDA with EAH. One of the obligations of EAH under the DDA is to secure funding for construction of the affordable housing project. The City and EAH identified the State Affordable Housing and Sustainable Communities (AHSC) program as a potential funding source for the affordable housing project, and on May 5, 2015, the City Council adopted Resolution No. 15-39 authorizing the City and EAH to jointly apply for funds from the AHSC program.

For applications for affordable housing development funds, the AHSC program requires the inclusion of a transportation infrastructure project that benefits the proposed affordable housing. Accordingly, the joint application for AHSC program funds requested \$5,400,000 for construction of the affordable housing project, \$32,400 to subsidize transit passes for future residents of the Project, and \$100,000 for median improvements at 40th Street and San Pablo Avenue.

As described in the AHSC application, the 40th Street and San Pablo Avenue median improvements include "...new Bay Friendly landscaping along the existing median islands on 40th Street and on San Pablo Avenue. On the 40th Street medians, the project includes the removal of the existing trees and plantings, the replacement of the existing soil with good horticultural topsoil, irrigation modifications, new trees, new Bay Friendly plantings and mulching. On the San Pablo Avenue medians, the project includes the removal of the existing plantings, regrading, amending and aeration of the existing topsoil, irrigation modifications, new Bay Friendly plantings and mulching" (the "Median Improvements Project").

The application was successful, and a total of \$5,532,400 in AHSC Program funds were awarded in the form of a \$5,400,00 loan and \$32,400 grant to EAH for affordable housing project construction and transit passes, respectively; and a \$100,000 grant to the City for the Median Improvements Project.

On June 6, 2017, the City Council adopted Resolution No. 17-75 authorizing the execution of a standard agreement with the California Department of Housing and Community Development (HCD) as required by the AHSC program.

DISCUSSION

The affordable housing project, now known as Estrella Vista, is currently under construction. Pursuant to the AHSC Co-Applicant's Agreement executed as part of the package of agreements implementing the Estrella Vista project, the City is required to advertise the Median Improvements Project for construction bids no later than October 2018. If the City is unable to advertise for construction bids by October 2018, EAH has the right to step in to take over performance of the work.

On April 16, 2018, staff released a Request for Proposals (RFP) for landscape and irrigation design services for the Median Improvements Project. The RFP was circulated

to six landscape architecture firms with submittals due May 4, 2018. One submittal was received in response to the RFP, from Callander Associates (“Callander”).

Callander’s proposal demonstrated experience with projects of similar scope and size to the Median Improvements Project, and Callander has had experience designing other successful City of Emeryville projects, including the recently-completed Emeryville Greenway Powell to Stanford segment.

Callander’s proposal includes all necessary work to design the Median Improvement Project as described in the AHSC grant and provide design services during bidding and construction. Callander’s cost proposal for these services is \$57,883.38. Staff is proposing an additional 15% contingency budget of \$8,681.62, for a total contract amount of \$66,565.

Under a separate project, the City is currently evaluating the configuration of the medians on 40th Street as part of the 40th Street and San Pablo Avenue Transit Hub Feasibility Study. Some of the design alternatives being evaluated would require narrowing of the 40th Street medians, however, no final design alternative has been selected at this time. Consequently, staff is recommending that the City Council authorize a future amendment of the contract with Callander to add \$40,000 for additional civil engineering work to redesign the medians if required to accommodate the 40th Street and San Pablo Avenue Transit Hub project.

FISCAL IMPACT

The 2017-2019 Capital Improvement Program (CIP) includes \$600,000 in Fiscal Year 2018-2019 for the 40th Street and San Pablo Avenue Median Rehabilitation Project (Project ST-02). The proposed contract with Callander would be funded by \$500,000 in General Capital funds (Fund 475) allocated for this project, with the \$100,000 AHSC grant funds and the balance of General Capital funds used for construction costs.

STAFF COMMUNICATION WITH THE PUBLIC

There was no staff communication with the public.

LEGAL CONSIDERATIONS

The City Attorney has reviewed and approved as to form the resolution and Professional Services Agreement accompanying this staff report.

CONCLUSION

Staff recommends that the City Council adopt the attached resolution authorizing the execution of a PSA with Callander Associates for the 40th Street and San Pablo Avenue Median Rehabilitation Project, as required by the AHSC grant for the 3706 San Pablo Avenue Affordable Housing Project, and authorizing the City Manager to execute an

amendment of the PSA in the future to add up to \$40,000 in additional scope in the event that this work is required by the 40th Street and San Pablo Avenue Transit Hub Project.

PREPARED BY: Chadrick Smalley, Economic Development and Housing Manager

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



Carolyn Lehr, City Manager

Attachment:

1. Draft Resolution, including Exhibit A, PSA with Callander Associates