



County of San Mateo

Inter-Departmental Correspondence

Department: GOVERNING BOARD

File #: 19-514

Board Meeting Date: 6/4/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Ken Cole, Director, Department of Housing
Subject: **Measure K:** Updating Budget for Redwood Trailer Village New Unit Loan Program

RECOMMENDATION:

Measure K: Adopt a resolution:

- A) Authorizing additional expenses beyond the original scope of work defined by the Redwood Trailer Village New Unit Loan Program, including for relocation assistance, site work, demolition, paving, and unit costs in a collective amount not to exceed the \$6.5 million previously approved for the Loan Program; and
- B) Authorizing an amendment to the agreement with Capital Program Management, Inc., increasing the total contract amount from \$100,000 to \$250,000 for continued project and construction management services for Redwood Trailer Village; and
- C) Authorizing the Director of the Department of Housing or the Director's designee to execute documents, including contracts, amendments, and change orders, in a collective amount not to exceed \$6.5 million, as may be necessary to implement the Redwood Trailer Village New Unit Loan Program, including providing relocation assistance, on terms approved by the County Manager, working in consultation with the County Counsel.

BACKGROUND:

Redwood Trailer Village (the "Park") is a 51-space mobile home park in the North Fair Oaks neighborhood of unincorporated Redwood City. The Park is home to over 200 residents, many of whom are low-income and about half of whom are children. For approximately the past two years, staff from the San Mateo County Department of Housing ("DOH"), Human Services Agency ("HSA"), Department of Public Works and Planning and Building Department, coordinated by the County Manager's Office, have worked with the owner of Redwood Trailer Village to address habitability issues identified during inspections of the Park.

To resolve the outstanding habitability issues without displacing Park residents, en masse, and to

create home ownership opportunities for them, DOH implemented the Redwood Trailer Village New Unit Loan Program (the "Loan Program"), which was approved by the Board on October 23, 2018 through Resolution No. 076211. The Loan Program assists certain Park unit owners with the demolition costs of existing units that cannot be brought into compliance, the costs to purchase, deliver and install new units, and any costs incurred for paving beneath the new units. The Loan Program and the payment of relocation expenses to Park unit owners for the period while their existing units are being demolished and their new units are being installed will utilize up to \$6.5 million in Measure K funds.

As of May 2019, 45 loans for 2 recreational vehicles, 36 park models, and 7 HUD units are anticipated to be financed through the Loan Program. The entire process is taking place in three phases, with an estimated timeline for completion in Fall 2019.

DOH contracted with Capital Program Management, Inc. ("CPM") to coordinate the relocation of existing residents with HSA, procure contractors for the demolition and removal of existing units, oversee paving and electrical work at the site, and schedule the delivery and installation of new units.

Phase I commenced in late March of this year and resulted in the installation of eight park model units. All Park residents assigned under Phase I were moved into their new units by the end of May, on schedule. Phase II is commencing now and will conclude with the installation of 16 new units in the Park.

Since the completion of Phase I, DOH and CPM have identified the need for additional services, which were beyond or not specifically identified in the original scope of work defined by the Loan Program. Unit modifications and price changes, including those resulting from the removal of closets, installation of awnings, procurement of water heaters and propane tanks as well as taxes on units were not included in initial projections. Expenses including for security services, additional project management services, and increased paving costs were also not accounted for in the original budget for the Loan Program.

DISCUSSION:

DOH seeks the Board's approval to authorize the County's coverage of component costs that were not specifically identified in the original budget or the original scope of work, including for relocation assistance, site work, demolition, paving, and unit costs required to implement the Loan Program. Additional costs include but are not limited to:

- Approximately \$25,000 for Allied Universal security services to safeguard units during installation
- Approximately \$9,000 for the removal of closets in Phase 1 units to increase livable space
- Approximately \$4,000 per unit for unit cost increases and \$5,000 for taxes identified since initial agreement with unit vendor
- Approximately \$800 per unit for propane tanks
- Approximately \$2,000 per unit for increased paving costs

DOH also seeks the Board's approval to increase the contract amount with CPM from \$100,000 to \$250,000 over the existing term of January 1, 2019 through December 31, 2019. CPM's specialization in construction enables the Department to meet critical milestones related to the Loan Program, including a timely completion of the project. As of May 2019, CPM has been paid

\$90,594.87 of the contracted \$100,000 for its services. DOH recommends amending the contract amount so that CPM can continue to provide project and construction management services required to complete the two remaining phases of the project, which makes up more than half of the Park's units.

DOH additionally seeks approval from the Board to execute documents, including contracts, amendments, and change orders for goods and services as may be necessary to implement the Loan Program, including providing relocation assistance, on terms approved by the County Manager, working in consultation with the County Counsel.

Given that the incomes of many residents are low and that the County's main goals are to prevent displacement of those residents and facilitate home ownership opportunities for them, DOH recommends approving these additional costs within the \$6.5 million previously approved funds allocated to the Loan Program.

The resolution authorizing the actions described in this report has been reviewed and approved as to form by County Counsel.

Approval of this resolution contributes to the Shared Vision 2025 outcome as a Livable Community by improving the living conditions of the residents of the mobile home park, preventing their displacement and simultaneously creating home ownership opportunities for them.

PERFORMANCE MEASURE:

Measure	FY 2018-19 Projected
Loans	45

FISCAL IMPACT:

The loan program and the payment of relocation expenses will utilize up to \$6.5 million in **Measure K** funds previously awarded to the Redwood Trailer Village New Unit Loan Program.