



December 11, 2020

TO: CADA Board of Directors

SUBJECT: December 18, 2020 Board Meeting
AGENDA ITEM 11
AUTHORIZATION TO AMEND CONTRACT WITH CIVIL ENGINEER FOR THE 1322 O STREET AFFORDABLE HOUSING PROJECT

CONTACT: Renée Funston, Development Manager
Tom Kigar, Special Projects Director
Wendy S. Saunders, Executive Director

RECOMMENDED ACTION

Staff recommends the Board adopt a resolution authorizing the Executive Director to amend the contract with Cartwright Nor Cal, Inc. for the 1322 O Street Affordable Housing Project.

BACKGROUND

Cartwright Contract

In November 2019, the Executive Director executed a consulting contract with Cartwright Nor Cal, Inc. (Cartwright) to provide Civil Engineering Services for preliminary design through bidding and construction of the 1322 O Street Affordable Housing Project at a cost of \$42,000. In March 2020, the Executive Director executed Amendment #1 to the contract to remove budgeted optional tasks that were deemed unnecessary and to add to the consultant's scope of work the responsibility for preparing the application package and submitting the On-Site Civil improvement plans to the City of Sacramento, bringing the total budget amount to \$48,000.

Increase Project Site

Staff submitted an HCD Transit-Oriented Development (TOD) Housing Program application for 1322 O Street in July 2020, requesting a \$10 million loan. Given financing uncertainty and high competition for affordable housing funds, staff pursued creative approaches to maximize the Project's score. The TOD program awards points for encouraging higher densities. Staff identified the opportunity to split a portion of the California Department of General Services (DGS)-owned property at 1316 O Street adjacent to the Project, which is currently used as a four-car garage, and to process a Lot Line Adjustment to add that land to the Project site. The proposed Lot Line Adjustment increases the Project site's area to .26 acres, which allows for creation of two additional apartments, for a total of 58 units.

Williams + Paddon Contract

At the September 18, 2020 meeting, the Board authorized the Executive Director to amend the design contract with Williams + Paddon Architects to cover the cost of revising the plans for the increased Project site.

ANALYSIS

Amendment #2 is in the amount of \$6,500, which will cover the cost of having Cartwright revise the plans to increase the Project site to .26 acres.

Schedule

In November 2020, the California Tax Credit Allocation Committee (CTCAC) awarded the Project tax credits. Staff is awaiting decisions by the California Debt Limit Allocation Committee (CDLAC) on the bonds and HCD on the TOD Housing Program request, which are expected by mid-December. Pending Board authorization of the contract amendment, Cartwright will update the construction documents to incorporate the additional land and reconfigure the ground floor. Next, staff will submit for a building permit. Construction is planned to commence in June 2021.

FINANCIAL IMPACT

The \$6,500 cost of the proposed amendment will be allocated from Fiscal Year 2020-2021 Tax Increment Income which CADA expects to receive in January 2021, and is also reflected in the Mid-Year Budget Revision, which is subject to a separate action at this Board meeting.

CONTRACT AWARD CONSIDERATIONS

Staff is requesting Board approval to amend the Cartwright contract because the total contract amount with the requested amendment exceeds the Executive Director's \$50,000 professional services contract authority.

ENVIRONMENTAL CONSIDERATIONS

At the November 13, 2019 meeting, the Board found the Project to be exempt from CEQA based upon its consistency with the Central City Specific Plan and EIR, and staff filed a Notice of Exemption.

POLICY

Developing 1322 O Street as a "micro-unit" affordable housing project; making use of a novel building method that has a lower carbon footprint; and building the Project in collaboration with the State of California under Governor Newsom's Executive Order regarding the California housing crisis is consistent with CADA's 2016-2021 Strategic Plan that calls for urban development leadership, development of complex infill projects and collaboration with CADA's State and City partners.

RESOLUTION NO. 20 - 38

Adopted by the Capitol Area Development Authority

December 18, 2020

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE CONTRACT WITH CARTWRIGHT NOR CAL, INC. FOR THE 1322 O STREET AFFORDABLE HOUSING PROJECT

WHEREAS, CADA entered into a Consulting Agreement for Civil Engineering Services with Cartwright Nor Cal, Inc. (Cartwright) on November 22, 2019 for preliminary design through bidding and construction at a cost of \$42,000; and

WHEREAS, on March 24, 2020, the Executive Director executed Amendment #1 to the contract with Cartwright to remove budgeted optional tasks and to add responsibility for preparation of the application package and submission of the On-Site Civil improvement plans to the City of Sacramento bringing the total budget amount to \$48,000; and

WHEREAS, on July 30, 2020, Staff submitted a competitive HCD Transit-Oriented Development Housing Program application for \$10 million, which awards points for encouraging higher densities, including performing a Lot Line Adjustment to increase the Project site to .26 acres; and

WHEREAS, on October 9, 2020, Cartwright submitted a cost proposal of \$6,500 for revising the plans based on the increased Project site bringing the total budget amount to \$54,500.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority Board of Directors that the Board authorizes the Executive Director to amend the contract with Cartwright in the amount of \$6,500 to cover the cost of Cartwright revising the plans to increase the Project site to .26 acres, and to authorize an allocation of \$6,500 from the Fiscal Year 2020-2021 Tax Increment Income.

Ann Bailey, Chair

ATTEST:

Jill Bagley-Azevedo
Secretary to the Board of Directors