



February 9, 2021

TO: CADA Board of Directors

**SUBJECT: February 12, 2021 Board Meeting  
AGENDA ITEM 6  
AUTHORIZATION TO AMEND CONTRACT WITH GENERAL CONTRACTOR  
AND ALLOCATE DEVELOPMENT RESERVES 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 Tricorp Group Inc. and authorize an allocation of \$20,000 from the Development Reserves for the 1322 O Street Affordable Housing Project.

### **BACKGROUND**

In February 2020, the Executive Director executed a contract with Tricorp Group Inc. (Tricorp) to provide Design-Assist Services from schematic design through the preparation of the final construction documents for the 1322 O Street Affordable Housing Project at a cost of \$47,000. This contract also included preparation of the Guaranteed Max Price (GMP) Proposal for which staff expects to request approval by way of Amendment #2 at the upcoming May 14 Board meeting.

In February 2020, Youngdahl Consulting Group, Inc. completed a Phase II Environmental Site Assessment, which identified a geotechnical anomaly on the existing site.

On December 9, 2020, the project was awarded tax credits and bonds. The California Debt Limit Allocation Committee (CDLAC) regulations require close of financing within 180 days, which is June 7, 2021. The project was also awarded HCD Transit-Oriented Development program funds, which was the final piece of public gap financing needed to fund the project and allow for start of construction.

### **ANALYSIS**

#### **Amendment #1 to Contract with Tricorp**

A significant component of preparing the site for construction is addressing the geotechnical anomaly. Amendment #1 is for Tricorp's cost proposal on a time-and-materials basis not to exceed \$10,000 to cover the cost of exploratory excavation of the existing site conditions to identify and evaluate this anomaly. Because its conditions are unknown, Tricorp will need to do partial demolition of the affected area at the existing courtyard patio to expose the anomaly for further testing. Depending

upon the findings from this work, the site may require an estimated \$10,000 in soil testing and additional environmental abatement so that construction can begin.

### **Schedule**

Tricorp is proposing to initiate this physical site work in mid-February. Depending upon whether there is environmental contamination present in proximity to or emanating from the anomaly, this work could span two months. Staff will ensure that there are no liens placed on the property that could interfere with the 30-day period prior to close of project financing. Tricorp is dedicated to ensuring expedient start of construction in June 2021 and project completion by the end of 2022.

### **FINANCIAL IMPACT**

The \$10,000 cost of the proposed amendment plus a contingency of \$10,000 for soil testing will come from the Development Reserves.

### **CONTRACT AWARD CONSIDERATIONS**

Staff is requesting Board approval to amend the Tricorp contract because the amount of the amendment exceeds the \$50,000 limit of the Executive Director's authority to approve professional services contracts.

### **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. 21 - 02**

Adopted by the Capitol Area Development Authority

February 12, 2021

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE CONTRACT WITH TRICORP GROUP INC. AND ALLOCATE DEVELOPMENT RESERVES FOR THE 1322 O STREET AFFORDABLE HOUSING PROJECT**

**WHEREAS**, CADA entered into a Consultant Agreement for Design-Assist Services with Tricorp Group Inc. (Tricorp) on February 18, 2020 to assist the architect in the preparation of the plans from schematic design through final construction drawings, as well as preparation of the Guaranteed Max Price (GMP) Proposal, at a cost of \$47,000; and

**WHEREAS**, on February 13, 2020, Youngdahl Consulting Group, Inc. completed a Phase II Environmental Site Assessment, which identified a geotechnical anomaly on the existing site; and

**WHEREAS**, on December 9, 2020, the 1322 O Street affordable housing project was awarded tax credits and bonds, which requires close of financing within 180 days; and

**WHEREAS**, on January 28, 2021, the project was also awarded HCD Transit-Oriented Development program award; and

**WHEREAS**, on February 5, 2021, Tricorp submitted a cost proposal on a time-and-materials basis not to exceed \$10,000 for exploratory excavation of the existing site conditions to identify and evaluate the geotechnical anomaly.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority Board of Directors that the Board authorizes the Executive Director to:

1. Amend the contract with Tricorp in the amount of \$10,000 to cover the cost of Tricorp completing exploratory excavation and allow for a contingency of \$10,000 for soil testing, and
2. Authorize an allocation of \$20,000 from the Development Reserves.

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Ann Bailey, Chair

ATTEST:

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Jill Bagley-Azevedo  
Secretary to the Board of Directors