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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

CITY MANAGER'S OFFICE

March 2, 1981

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Housing Authority of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Professional Services Contracts for the Substantial
Rehabilitation and Moderate Rehabilitation Programs

SUMMARY

The attached resolution authorizes the Executive Director to (1) approve an established list of selected rehabilitation consultants for the Substantial and Moderate Rehabilitation Programs; and (2) execute professional services contracts for the subject programs.

BACKGROUND

Substantial Rehabilitation

The Housing Authorities of the City and County of Sacramento were invited by the Department of Housing and Urban Development to apply for funds to acquire and substantially rehabilitate family units in the City and County of Sacramento. Under this program (unlike the Section 8 existing and the Moderate Rehabilitation Program wherein the owner retains title and the Department of Housing and Urban Development subsidizes) the Authority will purchase, rehabilitate and maintain these units. The units are then utilized for the conventional low rent housing program.

Application submission for Cal 5-20 and Cal 5-21 (165 units within the City of Sacramento) was approved by the Housing Authority of the City on August 15, 1978, per Resolution No. 1634 and Resolution No. 1771 dated January 15, 1980.

The Preliminary Loan Contracts were approved by the Housing Authority of the City of Sacramento on September 26, 1979, per Resolution No. 1741, and on November 27, 1979, per Resolution No. 1751.

The development programs for Cal 5-20 and Cal 5-21 were adopted by the Housing Authority of the City of Sacramento on April 15, 1980, per Resolutions Nos. 1791 and 1792, respectively.

APPROVED
SACRAMENTO HOUSING AUTHORITY

Date 3/10/81

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On October 21, 1980 the City Housing Authority by Resolutions Nos. 1846 and 1847 approved the revised developmental budgets which increased funding due to inflation for Cal 5-20 and Cal 5-21 (90 and 75 units, respectively).

Authority was delegated to the Sacramento Housing and Redevelopment Commission and the Executive Director, per Resolution No. 1808, for the final selection of the 165 units of substantial rehabilitation within the city limits of the City of Sacramento under DHUD Cal 5-20 and Cal 5-21 on June 24, 1980.

Moderate Rehabilitation

The intent of the program is to upgrade the existing housing stock of rental units by requiring the owner(s) to perform a minimum of \$1,000 rehabilitation to each unit proposed for Section 8 subsidy. To compensate the owner for additional expenditures, the owners would be subsidized 120% of the fair market rents and would enter into a 15-year Housing Assistance Contract with the Authority. Rents would be adjusted annually due to inflation. Maintenance and upkeep would be the responsibility of the owner.

On September 23, 1980, Housing Authority Resolutions Nos. 1835 and 1836 were adopted authorizing the Authority to enter into Annual Contributions Contracts for Cal 5-9 and Cal 5-10 in the City of Sacramento. Under the approved program the Authority will solicit proposals, which must meet the HUD program guidelines and the HAP goals. The Rehabilitation/Loan Policy Committee of the Sacramento Housing and Redevelopment Commission was delegated the authority to review, approve or disapprove, and make final selection of proposals. This delegation of authority was approved by City Resolution No. 1850 on October 28, 1980.

Rehabilitation Consultant Selection

During December 1980 proposals were solicited from potential consultants. Solicitation included advertisements in local circulation and minority newspapers and mail-outs to known rehabilitation consulting firms. In January 1981 a Selection Committee composed of Agency staff, City and County Building Inspection officials and a SHRA Commission member interviewed and recommended selection (in order of listing) of the following consultants:

1. Michael Frank Malinowski, Architect, A.I.A.
2. M. E. Construction Management Service, Max Evanchak

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3. Carolann Enterprises, Frank E. Elbert
4. Inside Out, Robert Gillespie

Two additional firms were interviewed but subsequently withdrew their proposals. Staff recommends that the firms be utilized in order of the above listing. It is recommended that the number one listed firm be utilized to the greatest extent possible prior to use of the number two ranked firm, and so on down the list.

Rehabilitation Consultant Services

The existing staff of a Technical Supervisor and two recently approved Technical Assistant II's cannot effectively implement the Substantial and Moderate Rehabilitation Programs without additional assistance. The existing staff will be responsible for program administration, report writing, construction monitoring, contract management and payment processing for the 245 units to be rehabilitated under these programs.

After Agency staff has initially screened units to be rehabilitated under the Substantial Rehabilitation Program the Rehabilitation Consultant will prepare preliminary drawings, work write-ups and cost estimates for review by the approved ad hoc committee. Upon approval by the committee the Consultant will prepare final documents adequate for bidding purposes and subsequently monitor construction.

Under the Moderate Rehabilitation Program the Consultant will be utilized only if needed due to program backlog. The Consultant will provide the Agency with a work write-up and cost estimate to be included in the packet by which the ad hoc committee will review, approve/disapprove units for inclusion in the program. During construction the Consultant will be utilized to monitor the project for consistency with the approved work write-up and certify completion of program requirements.

FINANCIAL DATA

The Substantial and Moderate Rehabilitation Programs are funded through the Department of Housing and Urban Development. The program reservations for these programs total \$13,146,401. Following is the proposed fee schedule for the retention of Rehabilitation Consultants under the Substantial Rehabilitation Program:

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- A. 9.8% of first \$14,000 of rehabilitation costs
6.0% of next \$38,000 of rehabilitation costs
4.2% of balance
- B. Not to exceed
Single family dwelling unit - \$1,525
Duplex unit - \$2,550
3 units or more - \$1,475 plus \$625/unit
- C. Minimum per unit \$625

Fee schedule for the Moderate Rehabilitation Program will be negotiated at the time of contract execution based on number of units and scope of service.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting on March 2, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Coleman, Knepprath, Luevano, A. Miller, Serna,
Teramoto, B. Miller
NOES: None
ABSENT: Fisher, Walton

RECOMMENDATION

The staff recommends adoption of the attached resolution authorizing the Executive Director to 1) approve an established list of selected rehabilitation consultants for the Substantial and Moderate Rehabilitation Programs; and 2) execute professional services contracts for the subject programs.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slife

WALTER J. SLIFE
City Manager

Contact Person: Leo T. Goto

RESOLUTION NO. 81-022

Adopted by the Housing Authority of the City of Sacramento

March 10, 1981

RESOLUTION AUTHORIZING ESTABLISHMENT OF A LIST
FROM WHICH REHABILITATION CONSULTANTS MAY BE SELECTED
AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE
PROFESSIONAL SERVICES CONTRACTS FOR
REHABILITATION CONSULTING SERVICES FOR THE
SUBSTANTIAL AND MODERATE REHABILITATION PROGRAMS

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO:

Section 1. The Executive Director is authorized to
select from among the following firms to be retained as consultants
for the Substantial and Moderate Rehabilitation Programs:

- (1) Michael Frank Malinowski, Architect, AIA
- (2) M. E. Construction Management Service, Max Evanchak
- (3) Carolann Enterprises, Frank E. Elbert
- (4) Inside Out, Robert Gillespie.

Section 2. The Executive Director is hereby authorized
to execute professional services contracts for rehabilitation con-
sulting services as needed in order to implement the Substantial
and Moderate Rehabilitation Programs.

CHAIRMAN

ATTEST:

SECRETARY

APPROVED
SACRAMENTO HOUSING AUTHORITY

Date 3/10/81