



# City of San Leandro

Meeting Date: October 1, 2018

## Staff Report

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**File Number:** 18-393

**Agenda Section:** CONSENT CALENDAR

**Agenda Number:** 8.I.

**TO:** City Council

**FROM:** Jeff Kay  
City Manager

**BY:** Tom Liao  
Community Development Director

**FINANCE REVIEW:** Not Applicable

**TITLE:** Staff Report for a City of San Leandro City Council Resolution to Approve Amendment No. 1 to the Consulting Services Agreement between the City of San Leandro and Rebuilding Together Oakland East Bay for \$150,000 for the Administration of the Trailer Haven Mobile Home Grant Program

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### SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council adopt a resolution to approve Amendment No. 1 to the Consulting Services Agreement between the City of San Leandro and Rebuilding Together Oakland East Bay for \$150,000 to administer a Housing Rehabilitation Grant Program for the mobile home owners at Trailer Haven Mobile Home Community.

### BACKGROUND

On March 20, 2017, the City Council adopted Resolution 2017-043 that approved a \$150,000 Consulting Services Agreement (CSA) with Rebuilding Together Oakland/East Bay (Rebuilding Together) to administer a City program that provides housing rehabilitation grants to lower income mobile home owners at the Trailer Haven Mobile Home Community (Trailer Haven). Trailer Haven is an 8.23-acre property located at 2399 East 14th Street in San Leandro. As one of nine mobile home communities in the City, it had been family-owned and operated since 1937. The park consists of 139 mobile home spaces and 34 RV spaces. After 79 years of continuous ownership, Trailer Haven was sold in August 2016.

Trailer Haven was sold to San Leandro Mobile Home & RV Park, LP (dba Trailer Haven Mobile Home Park). The new owner hired Cascade Corporation Management, an experienced manufactured home property management company, to manage Trailer Haven. In September 2016, Cascade provided all 139 Trailer Haven mobile home owners with 90-day rent increase notices to take effect January 1, 2017. The rent increase averaged \$117 per trailer lot or space and was in addition to the \$45 sewer and water fee that Cascade implemented on the existing

mobile home owners.

Rebuilding Together is a national non-profit with local affiliates. Rebuilding Together's mission is to preserve affordable home ownership and strengthen communities through free home improvement repairs to low income households in need such as families, seniors, persons with disabilities and veterans.

### **Analysis**

In May 2017, Rebuilding Together and the City executed a \$150,000 CSA, at City Council direction. Since then, Rebuilding Together has diligently worked to set up a structure to market and operate an owner occupied mobile home rehabilitation grant program at Trailer Haven. To date the funds expended have identified 11 Trailer Haven owners for repairs to their units at no cost to the homeowners. Program applicants must meet an income eligibility requirement at or below 80% of area median income, which matches the income requirement for the City's long-standing ownership Housing Rehabilitation Grant Program. Below are the current 2018 U.S. Department of Housing and Urban Development (HUD) 80% AMI income limits for San Leandro:

- 1 person household Max income level: \$62,750
- 2 person household Max income level: \$71,700
- 3 person household Max income level: \$80,650
- 4 person household Max income level: \$89,600

The repairs will target deficiencies due to deferred maintenance for both interior and exterior repairs. Common exterior repairs include roofs, gutters, fences, steps, porches, debris removal, landscaping, and paint. The interior repairs that address safety, comfort, independence, and energy efficiency include grab bars, handrails, new flooring, plumbing, electrical work, heaters, windows, and energy efficient appliances. A combination of skilled staff/contractors, skilled and unskilled volunteers, cost-efficient services, and materials would be used to complete the necessary repairs.

Repair grants are limited to persons residing at Trailer Haven, and only owner-occupied mobile home units will be eligible for inspections and repairs. Below are the key changes under Amendment No. 1:

- Adjust the goal from 42 grants to 20 grants. Since the response to the program has not been as strong as expected, one of the amendments to the CSA is to reduce the number of grants awarded from 42 (in the original CSA) to 20. To date, Rebuilding Together has conducted extensive outreach and communication with owner-occupied residences in the Trailer Haven community to identify eligible and interested homeowners who need and are interested in the program. They will conduct one last outreach effort in Fall 2018, which it anticipates will attract another 8-10 home rehabilitation program applicants. The City will then close-out the program at the end of fiscal year (FY) 2018-2019.
- Increase the grant amount to approximately \$5000 per mobile home unit. As a result of the decreased total grant goal, each eligible mobile homeowner may receive a higher grant

amount to do more repairs. In the original CSA, it was estimated that each eligible mobile homeowner would receive approximately \$3,000.

- Allocation of additional program funding for ongoing administrative costs. The original budget allocated \$19,560 to Rebuilding Together's administrative budget, which was 13% of the total budget. Rebuilding Together expended the \$19,560 in FY 2017-2018 because of the extensive time and work needed to set up the program, conduct outreach and marketing, and begin intake and processing of grant applications. In order to see this program through to completion in FY 2018-2019 and to meet or exceed contract goals, staff believes that it is reasonable to increase the total percentage of the budget allocated to administrative cost for Rebuilding Together to an additional \$40,485 or 27% of the total budgeted expenditures. This administrative cost percentage aligns with the non-profit industry standard for administrative overhead costs for housing rehabilitation programs. There will remain approximately \$110,000 for rehabilitation projects to qualified Trailer Haven mobile homeowners. See Attachment A showing the proposed budget transfer to increase the administrative budget. Note that Amendment No. 1 is not seeking additional total funding beyond the \$150,000 for the original CSA. Extension of the contract end date from June 30, 2018 to June 30, 2019

### **Previous Actions**

- San Leandro City Council approved the \$150,000 CSA between the City and Rebuilding Together on March 20, 2017 per Resolution No. 2017-043

### **Applicable General Plan Policies**

Housing Element Policy 56.01, Rehabilitation of Owner-Occupied Housing -- undertake a range of programs that assist private property owners, particularly low- and moderate-income owners, in maintaining and improving the condition of their homes.

Housing Element Policy 56.08, Conservation of Mobile Home Parks - promote the conservation and rehabilitation of mobile home parks without displacing tenants or reducing the number of affordable units. Mobile home parks should be recognized as an important affordable housing resource for San Leandro's seniors and low-income households.

Housing Element Goal 58 Housing for Special Needs Population, Policy 58.02 Graduated Senior Housing, Action 58.02-A Allowing Senior Householders to "Age in Place"

### **Legal Analysis**

The City Attorney's office reviewed and approved the Consulting Services Agreement.

### **Fiscal Impacts**

The total one-time cost of this Housing Rehabilitation Grant Program for Trailer Haven was funded with \$150,000 from General Fund Economic Uncertainty reserves. However, this allocation from the General Fund Economic Uncertainty reserves was offset by the projected one-time receipt of \$98,400 in Real Property Transfer Tax and the first three years of additional property tax estimated to be \$18,000 annually. Note that Amendment No. 1 is not seeking additional total funding beyond the \$150,000 for the original CSA.

### **ATTACHMENTS**

#### **Attachment to Related Legislative File**

- Consulting Services Agreement Amendment No. 1 with Rebuilding Together Oakland East Bay

**PREPARED BY:** Maryann Sargent, Senior Housing Specialist, Community Development Department

## EXHIBIT A

### PERFORMANCE MEASURES

Rebuilding Together Oakland East Bay will complete approximately 20 mobile home rehabilitation projects (at approximately \$5,000/mobile home) by July 31, 2019. This number is based on its experience with the following factors: 1) the number of owners in a community that are willing to allow or be interested in having outsiders assist them; 2) the collective scope of repairs that are assessed as essential during project previews; 3) the repairs that can be accomplished within the financial scope of the contract.

### TIMELINES

<u>ACTIVITY</u>	<u>COMPLETION DATE</u>
Identify potential sites.	December 31, 2018
Receive contact information	December 31, 2018
Preparation of internal Administrative Tracking	December 31, 2018
Outreach-mail/phone/email with homeowners	December 31, 2018
Assist applicants with applications	Ongoing
Preview homes to determines scopes of work	April 2019
Prepare and schedule project work	April 2019
Meet with City Planning and obtain permits	Ongoing
Complete all work projects	July 31, 2019

**EXHIBIT B: COMPENSATION SCHEDULE & REIMBURSABLE EXPENSES**

<b>A BUDGET ITEM</b>	<b>B APPROVED BUDGET</b>	<b>C BUDGET CHANGES add or (subtract)</b>	<b>D 2017-2019 AMENDED BUDGET</b>
<b>DELIVERY COSTS</b>			
<b>Project Management</b>			
Executive Director	12,000	4,638	16,638
Program Manager	3,000	11,595	14,595
Bookkeeper	2,000	1,160	3,160
Fringe 12%	960	1,932	2,892
<b>Subtotal Project Management Salaries/Fringe</b>	<b>\$17,960</b>	<b>\$19,325</b>	<b>\$37,285</b>
<b>Operating Expenses</b>			
Insurance	1,000	1,000	2,000
Mileage/Gas	600	600	1,200
<b>Subtotal Operating Expenses</b>	<b>\$1,600</b>	<b>\$1,600</b>	<b>\$3,200</b>
<b>Total Management &amp; Operating Expenses</b>	<b>\$19,560</b>	<b>\$20,925</b>	<b>\$40,485</b>
<b>Contract Services</b>			
Labor	35,880		35,880
Permits and Fees	8,295		8,295
Physical Inspections	12,330		12,330
Communications, Outreach and Tracking	11,000	(6,000)	5,000
<b>Total Contract Services</b>	<b>\$67,505</b>	<b>(\$6,000)</b>	<b>\$61,505</b>
<b>Construction Costs</b>			
Project Materials (including rentals)	62,935	(14,925)	48,010
<b>Total Construction Costs</b>	<b>\$62,935</b>	<b>(\$14,925)</b>	<b>\$61,505</b>
<b>Total Management &amp; Operating Expenses</b>	<b>\$19,560</b>	<b>\$20,925</b>	<b>\$40,485</b>
<b>Total Contract Services</b>	<b>\$67,505</b>	<b>(\$6,000)</b>	<b>\$61,505</b>
<b>Total Construction Costs</b>	<b>\$62,935</b>	<b>(\$14,925)</b>	<b>\$48,010</b>
<b>BUDGET TOTAL</b>	<b>\$150,000</b>		<b>\$150,000</b>



# City of San Leandro

Meeting Date: October 1, 2018

## Resolution - Council

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**File Number:** 18-394

**Agenda Section:** CONSENT CALENDAR

**Agenda Number:**

**TO:** City Council

**FROM:** Jeff Kay  
City Manager

**BY:** Tom Liao  
Community Development Director

**FINANCE REVIEW:** Not Applicable

**TITLE:** RESOLUTION of the City of San Leandro City Council to Approve Amendment No. 1 to the Consulting Services Agreement between the City of San Leandro and Rebuilding Together Oakland East Bay (Consultant) for the Administration of the Trailer Haven Mobile Home Grant Program.

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**WHEREAS**, City and Consultant executed a Consulting Services Agreement in March 2017, pursuant to which Consultant provides certain consulting services to residents of Trailer Haven Mobile Home Community in San Leandro for home assessments to determine necessary home repairs or modifications, small repairs, or landscape beautification for homeowners in owner-occupied mobile homes; and

**WHEREAS**, the Parties desire to amend the Agreement to extend the timeline detailed in Exhibit A from June 30, 2018 to June 30, 2019; and

**WHEREAS**, the Parties desire to amend the Agreement to reallocate funds within the contract Budget (Exhibit B) to continue Project Management and Operation funding so that unused Contract Services and Construction Costs can be administered.

**NOW THEREFORE**, the City of San Leandro City Council hereby **RESOLVES** that:

- 1) The amendments to the agreement, specifically to Exhibit A and Exhibit B, are hereby approved, and execution by the City Manager is hereby authorized.

**AMENDMENT NUMBER ONE TO CONSULTING SERVICES AGREEMENT BETWEEN  
THE CITY OF SAN LEANDRO AND  
REBUILDING TOGETHER OAKLAND EAST BAY**

This **Amendment Number One** ("Amendment") is made by and between the City of San Leandro ("City") and Rebuilding Together Oakland East Bay ("Consultant") (together sometimes referred to as the "Parties") as of June 29, 2018, and amends that certain Consulting Services Agreement ("Agreement") dated March 1, 2017, between the Parties.

**WHEREAS**, City and Consultant have executed the Agreement, pursuant to which Consultant has provided certain consulting services to residents of Trailer Haven Mobile Home Community in San Leandro for home assessments with the purpose of determining necessary home repairs or modifications or small repairs, or landscape beautification and primary critical needs of homeowners in owner-occupied mobile homes; and

**WHEREAS**, the Parties desire to amend the Agreement to extend the Appendix A Timeline from June 30, 2018 to June 30, 2019; and

**WHEREAS**, the Parties desire to amend the Agreement to reallocate funds within the contract Budget (Exhibit B) to continue needed Project Management and Operation funding so that unused Contract Services and Construction Costs can be administered.

**NOW THEREFORE**, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Agreement as follows:

1. Exhibit A of the Agreement
  - a. "Performance Measures" is hereby amended and replaced with the attached Exhibit A.
  - b. "Timelines" is hereby amended and replaced with the attached Exhibit A.
2. Exhibit B of the Agreement entitled "Compensation Schedule & Reimbursable Expenses" is hereby amended and replaced with the attached Exhibit B.
3. All other terms shall remain in full force and effect.

This Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

**SIGNATURES ON FOLLOWING PAGE**



The Parties have executed this Amendment as of the date first written above. The persons whose signatures appear below certify that they are authorized to sign on behalf of the respective Party.

CITY OF SAN LEANDRO

Rebuilding Together Oakland East Bay

\_\_\_\_\_  
Jeff Kay, City Manager

\_\_\_\_\_  
Lisa Malul, Executive Director

Attest:

\_\_\_\_\_  
Marian Handa, Interim City Clerk

Approved as to Fiscal Authority:

\_\_\_\_\_  
David Baum, Finance Director

010-41-004-5120  
\_\_\_\_\_  
Account Number

Approved as to Form:

\_\_\_\_\_  
Richard D. Pio Roda, City Attorney

## EXHIBIT A

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