



SUMMARY REPORT

Agenda Date: 11/7/2023

To: Board of Commissioners, Board of Supervisors, and Board of Successor Agency
Department or Agency Name(s): Sonoma County Community Development Commission
Staff Name and Phone Number: Michelle Whitman, (707) 565-7504
Vote Requirement: 4/5th
Supervisory District(s): Third

Title:

Roseland Village Demolition & Remediation Contract Award

Recommended Action:

- A) Authorize the Executive Director of the Sonoma County Community Development Commission (Commission), or designee, to award a contract in the amount of \$315,000 for the Roseland Village demolition and remediation project to Resource Environmental Inc.
- B) Approve and authorize the Executive Director of the Commission to execute a construction contract and all related documents including amendments as needed for additional work at additional cost between the Commission and Resource Environmental Inc. for the demolition and remediation of the former Dollar Tree building and the Wind Toys building located at 777/779 & 883 Sebastopol Road, in Santa Rosa for a contract price of \$315,000
- C) Authorize the Executive Director of the Community Development Commission to negotiate and convey a license, permit or temporary easements to the state, or to any county, city, or public agency, or public utility corporation related to the demolition and remediation of the former Dollar Tree building and the Wind Toys building and/or development of the Tierra De Rosas Mixed-Use Development in a form approved by County Counsel. Such licenses, permits or easements shall not exceed a cumulative total of ten (10) years.
- D) Authorize the Executive Director of the Community Development Commission to negotiate and execute, on behalf of the Commission, in a form approved by County Counsel, leases or licenses where the actual monthly rental of the executed lease or license shall not exceed ten thousand dollars (\$10,000.00), and the term of the executed lease, including any renewal term(s), shall not exceed a cumulative total of ten (10) years.
- E) Authorize the Executive Director of the Commission to make findings that pursuant to the City of Santa Rosa Resolution 2019-085, the demolition and remediation of the former Dollar Tree building and the Wind Toys building, and the Tierra De Rosas Mixed-Use Development are in compliance with the California Environmental Quality Act and exempt from further analysis.
- F) Adopt a budget resolution adjusting the FY 2023-24 adopted budget by increasing expenditure and revenue appropriations in the Sonoma County Community Development Commission budget by \$5,074,330 to support the backbone infrastructure of Roseland Village. Funding will come from the California Department of Housing and Community Development - Infill Infrastructure Grant (4/5th Vote Required).

(4/5th Vote Required) (Third District)

Executive Summary:

The Community Development Commission (CDC or Commission) is requesting authority to execute documents to begin site preparation for the Roseland Village Demolition Project. The Roseland Village Demolition Project (Project) consists of demolition of the former Dollar Tree store and the Wind Toys buildings located in the former Roseland Village Shopping Center. The demolition includes abatement and proper disposal of hazardous material on or in the buildings. The environmental impacts of the Project were considered in connection with the Sonoma County Board of Supervisors' approval of the Sebastopol Avenue Urban Vision in 2007 and the Board of Supervisors' approval of a Mitigated Negative Declaration for the Urban Vision Plan project. The Urban Vision Plan contemplated an area-specific plan for redevelopment, including the demolition work currently being planned, and in which the Roseland Village Shopping Center is located.

This Item seeks authority for the Commission to award and execute a contract with Resource Environmental Inc. in the amount of \$315,000 for the demolition and remediation of the former Dollar Tree building and the Wind Toys building. The Commission also requests to delegate authority to the Executive Director to issue licenses or permits and easements for the Tierra de Rosas mixed used development (Project) and future leases located at the site. The FY 2023-24 Adopted Budget will be adjusted with the attached resolution in the amount of \$315,000 for demolition, remediation, and the remaining \$4,759,330 for a portion all other backbone infrastructure for the Project.

Discussion:

The Board of Supervisors (Board) established the Roseland Redevelopment Project Area in 1984. In 2005, the Commission and the City of Santa Rosa joined together to sponsor a community visioning process to create a consensus among the local community about what future development of the Sebastopol Road corridor should look like, and what types of uses should be located there. The Roseland Village Neighborhood Center property was a major element in the community discussion. This process resulted in County and City adoption of the Sebastopol Road Urban Vision Plan (UVP).

The UVP envisioned a mixed-use project on the property that would have several elements the community identified as priorities. These elements included affordable housing, one-acre public plaza, commercial spaces, and an indoor community activity space that could accommodate public uses such as youth activities.

On July 19, 2016 the Board authorized the Executive Director of the Commission to execute a Professional Services Agreement with MidPen Housing for third-party predevelopment services associated with obtaining required approvals for the Project. In February 2018, the CDC and MidPen applied for a tentative map, subdivision map, and density bonus concessions to the City of Santa Rosa. On July 25, 2019, the Santa Rosa City Council affirmed the Planning Commission's approval of the Project and environmental analysis.

The project approved by the City of Santa Rosa includes the following planned components:

- "Casa Roseland" Affordable Housing Development.
 - 75 multi-family rental units for households at 30 - 60% of area median income (AMI) (1, 2, and 3 bedroom).
- "Tierra de Rosas" Mixed-Use Development:
 - Market Rate Housing: 100 multi-family rental units (1 and 2 bedroom).
 - Mercado Food Hall: 7,400 square foot catalyst for neighborhood economic development

opportunities.

- Mitote: a temporary use, with pop-up food trucks and public dining area.
- Plaza: one-acre green space that will serve as Roseland's community gathering hub, providing a public venue for community events, art and culture, a farmer's market, and recreation.

The demolition of the existing buildings is necessary for onsite backbone infrastructure to begin. Backbone infrastructure consists of the main underground utilities that will serve the Project including electrical, natural gas, water, sewer, and stormwater drainage. The commencement of the backbone infrastructure for the Project must happen to allow MidPen Housing, the Casa Roseland affordable housing developer, to apply for Low Income Tax Credits and/or tax-exempt bond financing in February, 2024.

For the demolition work to be completed, PG&E will need to disconnect utilities and temporarily relocate the electric and gas lines to continue to provide service to the rest of the Project development while construction is underway. A temporary utility easement is required to allow PG&E to install the temporary service in the new location. To accommodate this requirement, the CDC will need to grant a temporary utility easement for the power to go through the property without interruption. The easement will be removed once the Project site is subdivided, and power is allocated to the newly created parcels.

Looking toward the future progression of the Project with the goal of moving the development forward in the most efficient and cost-effective manner, the Commission is requesting authority described in Recommended Actions C and D to execute temporary permits, licenses, easements, and leases. The Commission anticipates as owners of the property, there will be many unforeseen permitting, licensing, and/or lease agreements the Commission will need to execute to allow various stages of the development to continue without delay. Examples of temporary easements, licenses and leases considered at this time include utility easements and associated costs for engineering, temporary path of travel easements/ agreements with adjacent neighborhood vendors, and with Regional Parks (as the Joe Rodota Trail is adjacent to the project).

As the phases of the project are completed, adjustments in location and agreements with onsite vendors may be required. As owner, the Commission may be required to sign off on various permits to allow the above-described activities, contractors, and developers to proceed with work.

Providing authority to the Executive Director to negotiate and execute such agreements is in the public's interest as it will eliminate the need for the commission to seek board authority on short notice for temporary and less than significant action items. The intent of this request is make the project progress as efficiently as possible while saving Commission, County staff, and the Board of Supervisors time and financial resources.

California Environmental Quality Act

The structures to be demolished are included within the Project area and tentative map approved by the City of Santa Rosa via resolution 2019-085. The resolution resolved that the Project was reviewed and in compliance with the California Environmental Quality Act (CEQA) and pursuant to CEQA Guidelines Section 15183 is exempt from further environmental review.

The Commission makes the following findings:

1. The Commission has considered the environmental effects of the project as shown in the

environmental impact report (EIR) and final environmental impact report (FEIR). □

2. A new subsequent or supplemental EIR is not authorized by CEQA Guidelines sections 15162 and 15163, as none of the triggers for further environmental review are met.
3. Pursuant to Public Resources Code section 21002.2(d) and CEQA Guidelines section 15096(g), no alternatives or additional mitigation measures are required to address the direct or indirect environmental effects of the limited parts of the project that the Commission is deciding to carry out, finance, or approve.
4. Notwithstanding the fact there are no significant impacts related to the part of the project that the Commission is carrying out, pursuant to CEQA Guidelines section 15096(h), the Commission concurs with the findings in City of Santa Rosa Resolution No. 2019-085, including items 1 and 2 concerning the project being exempt from further review.

Public Bidding:

A Notice Inviting Bids for the Roseland Village Demolition and Remediation was issued on September 15, 2023. One mandatory pre-bid site visit was held on September 22, 2023. The bid opening was held on October 10, 2023. The bid included the demolition of the former Dollar Tree store building located at 777/779 Sebastopol Road and the Wind Toys store building located at 883 Sebastopol Road. The basis of the contract award is per the terms of the Notice Inviting Bids and supporting documents, which is in accordance with Public Contract Code Section 20103.8(a).

Four bids were received as follows:

Bidder	CSLB License #	Bid Amount
Resource Environmental Inc.	864417	\$315,000
Central Valley Environmental	974852	\$398,000
Machado Brothers	639884	\$393,191
Sierra Excavating LLC	931046	\$478,729

Bid Results

Bids received for the Roseland Village Demolition and Remediation Project range from \$315,000.00 to \$478,729.00. Staff has reviewed all bids for completeness and responsiveness, investigated bidders license status including general contractor licensing and hazardous materials abatement licensing through Contractors State License Board, Cal OSHA registration through the Department of Industrial Relations, and entity eligibility through Sam.GOV. In conclusion staff determined that Resource Environmental Inc. is a responsive and responsible bidder and submitted the lowest bid for the demolition and remediation project.

Project Schedule

If approved by the Board of Commissioners/Supervisors, Commission staff will issue the Notice of Award on November 8, 2023 and execute the construction contract. Work is scheduled to begin on or around November 20, 2023 with completion in late December 2023.

Funding and Agreements

Funding for the demolition and remediation of the existing buildings is being provided by a portion of proceeds from the California Housing and Community Development (HCD) Infill Infrastructure Grant (IIG).

In conjunction with MidPen Housing, the Commission applied for and received a Five Million Seventy-Four Thousand Three Hundred Thirty and 00/100 Dollars (\$5,074,330.00) IIG Grant which will be used to pay for Commission's backbone infrastructure for the Project. The scope of the eligible activities to be paid for with the Commission's IIG grant includes relocation of existing facilities; clearing site, demolition of buildings and existing utilities, site grading; excavation and backfill; installation of retention basin for stormwater capture systems; installation of wet utilities; joint trench dry utility installation; surface improvements and landscape amenities. These activities will be conducted, and costs realized at various phases of the Project, with the majority of work occurring in the 2023/24 Fiscal Year, with the temporary utility service installation immediately after the demolition is complete. At this time appropriations are being requested for the full IIG grant amount to prevent financial authority constraints from delaying time sensitive work.

The Roseland Village Demolition project is the first step in starting the backbone infrastructure work. The Commission will execute a contract with Contractor to substantially complete the demolition within thirty days of contract execution. Contractor is well qualified to conduct and complete the work and holds the following licensing with the State of California necessary to complete all work: Contractor holds the following classifications A- General Engineering, B- General Building, C-21 Building Moving & Demolition, C-61/D63 Construction Clean-up, C-22 Asbestos Abatement with an ASB Asbestos and HAZ Hazardous Material Removal certifications.

Near term milestones include:

- Contract execution- November 08, 2023
- Commencement of demolition- November 20, 2023
- Substantial completion of demolition- December 20, 2023
- Commencement of backbone infrastructure- January 2024

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

Goal: Goal 3: In collaboration with cities, increase affordable housing development near public transportation and easy access to services.

Objective: Objective 3: Create incentives for developers to promote affordable housing development in the County.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

09/12/2023: Received Update, Casa Roseland and Tierra de Rosas

06/15/2023: Authorized \$7,678,011 from one-time General Fund monies, and \$2,000,000 from Third District

infrastructure funds.

05/16/2023: Authorized Executive Director Michelle Whitman to execute IIG Grant documents.

01/31/2023: Authorized the switch of up to \$2,079,477 CFH funds from the construction of the Casa Roseland project to pay for a portion of the construction costs of Tierra de Rosas infrastructure. Approved \$3,750,000 LMIHAF loan for the construction of the Casa Roseland and \$960,000 seller-carry back financing for the acquisition of the Affordable Housing Parcel.

Authorized amendment to PSA with MidPen increasing the budget to \$5.42 million.

Authorized waiving the annual monitoring fees for the affordable units.

Made findings that the use of LMIHAF funds will be a benefit to the Project Areas.

Authorized Interim Executive Director Rhonda Coffman to execute IIG grant documents.

Authorized Interim Executive Director Rhonda Coffman to apply for Ag + Open Space District Matching Grant funding.

10/25/2022: Provided an update to Board on the status and financing gap for the Tierra de Rosas and Casa Roseland mixed-use project.

08/31/2021: Authorized CDC Interim Executive Director Dave Kiff to execute IIG grant documents.

03/16/2021: Authorized amendment to PSA with MidPen increasing the budget to \$3,303,667.

02/04/2020: Authorized CDC Interim Executive Director Barbie Robinson to execute IIG grant documents.

08/20/2019: Authorized amendment to PSA with MidPen increasing the budget to \$2.4 million.

03/12/2019: Authorized CDC to execute the DDFA with MidPen and Urban Mix Development. 12/11/2018: Approved \$2,000,000 CFH loan for Casa Roseland.

11/15/2016: Approved \$537,500 CFH loan for Casa Roseland.

07/19/2016: Approved PSA between CDC and MidPen for an amount up to \$1.55 million. 01/26/2016: Authorized the CDC to negotiate a DDFA with MidPen.

04/08/2014: Authorized CDC to apply for Open Space District Matching Grant Program funds.

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$5,074,330		
Total Expenditures	\$5,074,330		
Funding Sources			
General Fund/WA GF			
State/Federal	\$5,074,330		
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$5,074,330		

Narrative Explanation of Fiscal Impacts:

Funding for the Roseland Village demolition and remediation Contract will come from the California Department of Housing and Community Development Infill Infrastructure Grant Program, from which the

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Commission was awarded of \$5,074,330. Appropriations for the Fiscal Year 2023/24 Adopted Budget will be added through the attached Budget Resolution.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

No Staffing impacts are realized as a result of this action.

Attachments:

1. Contract between Commission and Contractor
2. Demolition site plan.
3. Budget Resolution
4. Scope of Work

Related Items "On File" with the Clerk of the Board:

None