



DATE: February 5, 2024

TO: Mayor and Members of the City Council

VIA: Stefan Chatwin, City Manager
Marlene Subhashini, Assistant City Manager

FROM: Sofia Mangalam, Community Development Department
Nori Jabba, Housing Coordinator

DEPARTMENT: Community Development

SUBJECT: SUPPLEMENTAL APPROPRIATION OF FUNDS FOR
SUBSTANTIAL REPAIRS AND TEMPORARY RELOCATION
EXPENSES FOR EXISTING UNIT PURCHASE PROGRAM
PROPERTY AT 833 AND 835 COMET DRIVE

RECOMMENDATION

It is recommended that the City Council approve a Resolution (Attachment 1) approving a supplemental appropriation of \$131,460 from the Low and Moderate Income Housing Fund (LMIHF Fund 122) to account 122-0832-463-42-87 for substantial repairs for the Existing Unit Purchase Program property located at 833 and 835 Comet Drive and associated temporary relocation expenses and find the project exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline Section 15303(d).

EXECUTIVE SUMMARY

Since 2008, the city has owned six (6) units, including a duplex at 833 and 835 Comet Drive as part of the six-unit Existing Unit Purchase Program (EUPP). All the six (6) units are managed by HIP Housing Affordable Ventures (HHAV). The units at 833 and 835 Comet Drive needs major repairs due to water intrusion requiring the following work to be performed:

- Improvement of the drainage systems by a licensed landscaping company

- Replacement of the corroded sewer lines by a licensed plumber
- Restoration of the foundation crawlspace and installation of waterproof liners and sump pump systems by a general contractor with expertise in crawlspace restoration

There is a budget of \$25,000 for contingency major repairs in the fund 122-0832-463-42-87. However, upon evaluating the estimates related to the repairs and potential temporary relocation costs of the tenants, staff realized that there are not enough funds and thus, requesting a supplemental appropriation of \$131,460 from the LMIHF Fund 122 to account 122-0832-463-42-87 for substantial repairs and associated relocation expenses of the tenants.

BACKGROUND/ANALYSIS

In September 2023, Staff received a complaint from the tenant of 833 Comet Drive regarding water intrusion. Since then, Staff have been evaluating the situation at the unit on an ongoing basis. Based on numerous inspections conducted by Staff, including the Chief Building Official (CBO), and building inspector(s), and HHAV team, it has been determined that the water intrusion is from both the water table and groundwater seepage into the crawlspace due to inadequate rainwater drainage. The inspections also determined that the water intrusion was not present at the adjacent unit at 835 Comet Drive, except at the exterior entrance to the crawlspace. However, the subject property is a duplex, and the crawl space is common to both the units. The city staff and HHAV team recommended installation of a sump pump system, sewer replacement, and drainage improvements for the subject property.

Meanwhile, HHAV has undertaken intermediate mitigation work, including installation of downspout extensions on both 833 and 835 Comet Drive for directing rainwater away from the house and foundation. It shall also be noted that the building inspector also inspected other EUPP units and determined that the duplex units at 631/633 Comet Drive, and 398 Chesapeake already have sump pump systems in the crawlspace.

The estimated cost of substantial repairs for 833 and 835 Comet Drive is summarized below.

Table 1. Estimated Project Cost – Water Intrusion Mitigation of 833 and 835 Comet Drive

	Project Description	Estimated Cost
1	Improvement of the drainage systems by a licensed landscaping company and plumber – trenching and piping to redirect groundwater, water; replacement of gutters, installation of additional downspouts	\$20,000
2	Replacement of the corroded cast-iron sewer lines by a licensed plumber	\$40,000

3	Restoration of the foundation crawlspace, installation of a waterproof liner, and installation of a sump pump system by a general contractor with expertise in crawlspace restoration for each unit; ventilation upgrades and replacement of corroded ventilation and duct materials	\$20,000
4	Repair and/or replacement of walls/ceilings, and flooring if needed due to water damage.	\$20,000
5	Installation of three (3) de-humidifiers in 833 Comet	\$750.00
6	Potential temporary relocation assistance for tenants of 833 Comet (two people) and 835 Comet (four people)	\$8,800
	Total Estimated Cost of Repairs	\$109,550
7	Contingency (20%)	\$21,910
	Total Estimated Project Cost	\$131,460

HHAV is securing additional quotes to confirm costs. At this time, the amounts included in Table 1 are the best estimates of the work needed. Staff has added a 20% contingency to the project estimate in the event of unforeseen additional repairs deemed necessary. However, if the cost of work is higher than the Total Estimated Project Cost in Table 1, Staff will come back to the Council for further direction.

Timeline

The project is anticipated to take place as soon as possible in February 2024 and will take approximately four (4) to five (5) weeks depending on contractor scheduling. The timeline consists of approximately five (5) days for sewer replacement, five (5) days for crawlspace restoration and sump pump installation; three (3) days for landscaping and drainage improvements; three (3) to ten (10) days for interior restoration work. Some of the work may be able to be completed concurrently by different contractors. Temporary relocation of tenants may be needed for certain portions of the project, to minimize disruption to tenants, and to ensure the work is completed more quickly.

The cost of temporary relocation assistance for the tenants is based on approximately \$1,100 per week per room at an extended stay motel. The budget for potential temporary relocation anticipates up to four (4) weeks for 833 Comet (one room; two people) and up to two (2) weeks for 835 Comet (two rooms; four people). As mentioned above, there is \$25,000 in FY 2023-24 for EUPP major repairs for all six (6) units. Staff used part of these funds for temporary relocation of the tenants of 833 Comet from December 21, 2023, to January 31, 2023, as staff was evaluating the unit to determine the scope of necessary repairs.

On January 18, 2024, Staff applied for a County Community Development Block Grant (CDBG) grant for funds for the upgrades to maintain the EUPP properties at 833 and 835 Comet Drive in good condition and prepare the units for eventual transition to supportive housing. The grant application requested funding for upgrades including interior and exterior painting, kitchen remodeling, bathroom upgrades, electrical work, and other

repairs and upgrades. However, funding for the grant, if awarded, will not be available until July 1, 2024. Due to the timing of grant funding and the need to perform the emergency repair work immediately, staff did not include the emergency repair work in the grant application.

In the past, repairs were done to the unit at 833 Comet including the following:

- In 2008, following the acquisition of the property, the City hired a contractor to replace the foundation stem walls due to cracks.
- In 2015, HHAV repaired a water leak in the bathroom and completed reconstruction of walls in living room. Also in 2015, HHAV installed a condensation sensor and de-humidifier as well as a fan in the bathroom. HHAV also replaced flooring throughout the unit. During that time, the tenants were relocated temporarily to complete repairs.
- In 2021, HHAV completed plumbing repairs in the bathroom.

Staff is requesting a supplemental appropriation of \$131,460 from the Low and Moderate Income Housing Fund to account 122-0832-463-42-87 for substantial repairs for the EUPP property located at 833 and 835 Comet Drive and associated temporary relocation expenses of the tenants.

California Environmental Quality Act

The proposed action would not result in a significant change to the environment because the work entails minor trenching and installation of piping and would be exempt pursuant to CEQA Guidelines Section 15303(d) [New Construction or Conversion of Small Facilities]. Section 15303(d) applies to “Water main, sewage, electrical, gas, and other utility extensions, including street improvements, of reasonable length to serve such construction.”

FISCAL IMPACT

Staff is requesting a supplemental appropriation of \$131,460 from the LMIHF Fund 122 to account 122-0832-463-42-87 for substantial repairs for the EUPP property located at 833 and 835 Comet Drive and associated temporary relocation expenses.

CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

Facilities and infrastructure

ATTACHMENTS:

Attachment 1 – Resolution