



CITY OF POMONA COUNCIL REPORT

April 23, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Benita DeFrank, Neighborhood Services Director

Subject: **Adopt a Resolution Amending the FY 2017-18 Capital Improvement Program (CIP) Budget by Appropriating \$30,000 in Available Low-Moderate Income Housing Fund and \$58,000 in Available General Fund Contingency Funds to the “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044 for Demolition and Construction Management Consultant Costs.**

OVERVIEW

Recommendation – That the City Council adopt a resolution:

1. Amending the FY 2017-18 Capital Improvement Program (CIP) Budget by appropriating \$30,000 in available Low-Moderate Income Housing Fund and transfer \$58,000 in General Fund Contingency Funds to the “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044 for demolition and construction management consultant costs;
2. Authorize the City Manager to execute all documents related to this action, subject to review by the City Attorney.

Fiscal Impact – The recommended appropriation of \$30,000 in available Low-Moderate Income Housing Fund (Fund 131-6201) for demolition costs and a budget transfer of \$58,000 in General Fund Contingency Funds (Fund 101-0101) for construction management consultant costs to the “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044 will provide funding to cover unforeseen demolition costs and allow the City to fund construction management consultation for the “Year-Round Emergency Shelter” located at 1400 E. Mission Blvd.

Previous Related Action – On September 12, 2016, City Council declared a “shelter crisis” within the City of Pomona with Resolution 2016-138. On November 21, 2016, City Council authorized the Purchase of Real Property located at 1400 East Mission Boulevard for development of a Year-Round Emergency Shelter and created CIP #71044, appropriating \$171,400 in Series AD Low Mod Bond Proceeds and \$1,568,600 in Series AH Low Mod Bond Proceeds to the project. On May 1, 2017, City Council appropriated Series AH Low Mod Bond Proceeds in the amount of \$4,000,000 to the “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044. On November 6, 2017, City Council awarded a contract to TELACU in the amount of \$3,890,017 to construct the essential service area of the Year-Round Emergency Shelter.

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EXECUTIVE SUMMARY

On May 1, 2017, City Council appropriated Series AH Low Mod Bond Proceeds in the amount of \$4,000,000 to fund project costs for development of the Year-Round Emergency Shelter. Costs for the project included demolition of existing buildings, site preparation and site construction. To date, all funds for this project have been encumbered, but additional unforeseen demolition costs of \$30,000 and construction management consultant costs of \$58,000 have been realized therefore the appropriation for the CIP project must be increased by \$88,000.

DISCUSSION

On September 19, 2016, the City Council adopted Resolution 2016-138, identifying a state of emergency regarding homelessness in Pomona. The findings supporting this action stated that unsheltered homeless persons within the City of Pomona are exposed to traffic hazards, crime, risk of death and injury, exposure to weather, lack of adequate sanitation services and other conditions detrimental to their health and safety, and therefore a resolve to mitigate such circumstances is necessary.

Subsequently, on November 21, 2016, City Council authorized the purchase of real property located at 1400 East Mission Boulevard for development of a Year-Round Emergency Shelter, appropriating \$171,400 in Series AD Low Mod Bond Proceeds and \$1,568,600 in Series AH Low Mod Bond Proceeds to the project and on May 1, 2017, appropriated Series “AH” Low Mod Bond Proceeds in the amount of \$4,000,000 to fund project costs for development of the “Year-Round Emergency Shelter,” Project No. 428-2590-XXXXX-71044. The costs associated with development of the site included: environmental testing, demolition of existing buildings, site excavation, site preparation and construction of the year-round shelter.

Prior to site construction beginning, demolition of the five existing building located on the site occurred and the site was excavated. In performing these tasks there were a few unforeseen circumstances that occurred that caused the cost of demolition to increase. These items included: discovery of a 400 ft transite (asbestos) sewer pipe which needed to be removed via Air Quality Management District (AQMD) standards, which included testing and clearance; discovery of two septic tanks that needed to be pumped and permanently sealed; and, discovery of a 20’x30’ ft concrete slab that found under an asphalted area. Each of these items were discovered after the scope of the contract was created and were addressed through a change order. These change orders reduced any available contingency funding, requiring \$30,000 to be appropriated into the CIP project to meet all costs.

In addition, because of the size and scope of the Year-Round Shelter Project, it has been recommended that the City hire a construction management consultant to address day to day construction oversight and reporting responsibilities, safeguard the City’s interest and encourage a timely project. The cost for a construction management consultant is \$58,000 for a five month period and requires a budget transfer from the General Fund Contingency. The construction management agreement was signed pursuant to Resolution 2016-138 identifying a state of emergency regarding homelessness in Pomona and the consultants began working on the project on April 16, 2018.

Attachments: 1. Resolution