

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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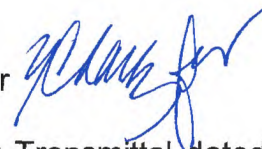
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Date: January 24, 2017

CAO File No. 0220-00540-1221  
Council File No. 12-0049-S7  
Council District: 9

To: The Mayor  
The Council

From: Patricia J. Huber, Acting City Administrative Officer



Reference: Housing and Community Investment Department Transmittal dated December, 2, 2016; Received by the City Administrative Officer on December 13, 2016; Additional Information Received through January 18, 2017

Subject: **REQUEST FOR APPROVAL OF VARIOUS ACTIONS FOR THE SLAUSON AND WALL PROPERTY FOR THE DEMOLITION OF VACANT BUILDINGS AND SECURING DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC) APPROVAL OF A REMEDIAL ACTION PLAN**

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**RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Adopt recommendations A through E, and J through P of the Housing and Community Investment Department (HCID) transmittal dated December 2, 2016 regarding various actions for the Slauson and Wall Green Space and Affordable Housing Project (Project/Property);
2. Authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to:
  - a. Use established and active lists of qualified contractors maintained by other City departments, and issue Request for Bids for the work related to redevelopment activities for the First Phase of the Project and consistent with prior action of the Mayor and City Council in C.F. 12-0049-S7;
  - b. Execute change orders which fall within the contemplated terms of the original scope of work of any future contract procured and contracted for the First Phase of the Project by an amount not to exceed 30% above the initial contract ceiling for unseen work and/or expenses related to redevelopment activities subject to the \$4,100,000 maximum contracting authority cap;
  - c. Negotiate and execute a contract with a qualified environmental consultant selected as part of the procurement process noted in Recommendation 2(a) above, in the approximate amount of \$921,000, per Table One of the HCID transmittal

dated December 2, 2016, from the Low and Moderate Income Housing Fund (LMIHF) No. 55J, to assist the City as follows: assemble all necessary environmental site assessment and clearance documentation; coordinate all tasks to clear the site, test for lead-based paint and asbestos, abate the lead-based paint and asbestos and demolish the existing structures; negotiate a Voluntary Cleanup agreement (VCA) and a Remedial Action Plan (RAP) with the Department of Toxic Substances Control (DTSC); and coordinate all engineering, testing and reporting, subject to approval by the City Attorney as to form, completion of a 1022 Determination Process with the Personnel Department and City Administrative Officer (CAO), and compliance with the City's contracting requirements;

- d. Negotiate and execute a contract with a qualified demolition contractor selected as part of the procurement process noted in Recommendation 2(a) above, in the approximate amount of \$2,500,000 per Table One of HCID's report, from the LMIHF No. 55J, for lead-based paint and asbestos abatement and demolition of all existing structures on the Property, subject to approval by the City Attorney as to form, completion of a 1022 Determination Process with the Personnel Department and City Administrative Officer (CAO), and compliance with the City's contracting requirements;
- e. Negotiate and execute a VCA and RAP, including all related documents and agreements, with the DTSC in the approximate amount of \$212,000, from the Community Development Grant Fund No. 424 (\$200,000) and LMIHF No. 55J (\$12,000), subject to approval by the City Attorney as to form, completion of a 1022 Determination Process with the Personnel Department and City Administrative Officer (CAO), and compliance with the City's contracting requirements; and,
- f. Execute the following contracts previously authorized by the Mayor and Council (C.F. 16-0068) related to the ongoing operation of the City's Lead Hazard Remediation Program, in the amounts with funding sources reflected below, subject to approval by the City Attorney as to form, and compliance with the City's contracting requirements;
  - i. Barr & Clark, Inc. for the provision of lead and asbestos inspection, survey and analysis services for a total contract amount not to exceed \$39,000, from the Lead Grant Fund No. 57R (\$34,000) and Community Development Grant Fund No. 424 (\$5,000);
  - ii. Lead Tech Environmental Inc. for the provision of lead and asbestos inspection, survey and analysis services for a total contract amount not to exceed \$20,000, from the Lead Grant Fund No. 57R;
  - iii. Paragon Partners Ltd. for the provision of relocation services for a total contract amount not to exceed \$130,000, from the HOME Investment Partnership Program Fund No. 561 (\$80,000) and Lead Grant Fund No. 57R (\$50,000);

- iv. HomeSafe Environmental, Inc. for the provision of technical training services for a total contract amount not to exceed \$6,200, from the Lead Grant Fund No. 57R;
- v. ASM Affiliates, Inc. for the provision of Section 106 historical preservation services for a total contract amount not to exceed \$100,000, from the HOME Investment Partnership Program Fund No. 561 (\$80,000) and Community Development Grant Fund No. 424 (\$20,000); and,
- vi. City of Long Beach Department of Health and Human Services for the provision of laboratory lead and radon testing services for a total contract amount not to exceed \$39,980, from the Community Development Grant Fund No. 424 (\$20,000) and the Lead Grant Fund No. 57R (\$19,980).

## SUMMARY

The General Manager of the Los Angeles Housing and Community Investment Department (HCID) requests authority for various actions related to the Slauson and Wall Green Space and affordable Housing Project (Project/Property), including: 1) utilizing funds from the Community Development Grant Fund No. 424 (\$500,000) and Low and Moderate Income Housing Fund No. 55J (\$3,600,000) for site clearing, preparation, and remediation; 2) contracting for First Phase site clearance and remediation; and 3) extending the term of the Exclusive Negotiation Agreement (ENA) and executing a Disposition and Development Agreement (DDA) with the Developer.

The HCID stated that it will access pre-qualified lists of environmental consultants and demolition contractors from the Department of Recreation and Parks, General Services Department, Board of Public Works, or any other City Department to procure services for the First Phase and issue Requests for Bids. The Department has not completed a 1022 Determination Process for any of the proposed contract services, and will need to complete them through the Personnel Department and City Administrative Officer prior to executing the contracts.

The Department is requesting authority to utilize \$4,100,000 for the First Phase services of the Project. The estimated cost for the First Phase contracts and services is \$3,965,000. Therefore, the HCID is requesting expenditure authority of \$135,000 as contingency for First Phase expenditures, including authority to execute change orders for any First Phase contract by no more than 30% due to unforeseen expenses.

The HCID reports that the First Phase will be followed by subsequent phases which will include soils remediation, site development and public space. However, the HCID will report back and obtain the approval of the Mayor and City Council prior to commencing any future phases.

This Office concurs with the majority of HCID's requests. However, this Office amended several of the HCID's recommendations in its December 2, 2016 report (Recommendations F, G, and I) to clarify the source of funding for various proposed contracts as the Low and Moderate Income

Housing Fund No. 55J and Community Development Grant Fund No. 424 and the need to complete a 1022 Determination Process. Additionally, we amended Recommendation H from HCID's report, with the consultation of the City Attorney, to clarify that HCID is not seeking authority to amend any future contracts without returning to the Council for additional authority, but rather, seeks to execute change orders within the contemplated terms of the original scope of work of any future contract.

### Lead Hazard Remediation Program Contracts

On October 11, 2016, the Council adopted the recommendations of the City Administrative Officer (CAO), included in a report dated September 23, 2016, for the HCID to negotiate and execute six contracts for the provision of lead technical services and Section 106 historic preservation services to support the City's Lead Hazard Remediation Program (LHRP). The recommendations included the total contract not to exceed amount for each proposed contract, but not the specified funding source(s) for each individual contract. While the HCID's transmittal dated September 6, 2016 provided the funding sources for five service categories, the HCID report did not provide funding sources per contract. Subsequent to the Council's adoption of the recommendations, the HCID provided this Office with funding sources for each contract for the LHRP. To date, these contracts have not been executed. This CAO report includes additional recommendations regarding the six contracts for the LHRP that includes the funding source(s) for each contract so that the City Attorney may execute them.

It should be noted that Recommendation E of HCID's transmittal dated December 2, 2016 includes a request for authority to amend the Barr & Clark, Inc. contract, one of the six LHRP contracts that have yet to be executed. Therefore, the Council must adopt the revised recommendations in this CAO report, in order for the HCID to utilize the Barr & Clark, Inc. contract for First Phase services in the Slauson and Wall Green Space and Affordable Housing Project.

### **FISCAL IMPACT STATEMENT**

There will be no impact to the General Fund. The recommendations in this report are in compliance with the City's Financial Policies in that First Phase contract services for the Slauson and Wall Green Space and Affordable Housing Project and the City's Lead Hazard Remediation Program (LHRP) will be paid for with special funds. Contract funding for the First Phase services will be for a cumulative amount not to exceed \$4,100,000, and funds will be provided by the Low and Moderate Income Housing Fund No. 55J (\$3,600,000) and Community Development Block Grant Fund No. 424 (\$500,000). Contract funding for the LHRP will be for a cumulative amount not to exceed \$335,180 for Fiscal Year 2016-17, and funds will be provided by a U.S. Department of Housing and Urban Development, Office of Lead Hazard Control and Healthy Homes (HUD-OLHCHH) Lead Grant Fund No. 57R (\$130,180), Community Development Block Grant Fund No. 424 (\$45,000), and the HOME Investment Partnership Program Fund No. 561 (\$160,000).