

REDEVELOPMENT AGENCY



COUNTY OF SANTA CRUZ

GOVERNMENTAL CENTER
TOM BURNS
AGENCY ADMINISTRATOR

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November 23, 1998

Agenda: December 8, 1998

Board of Directors
County of Santa Cruz Redevelopment Agency
701 Ocean Street
Santa Cruz, CA 95060

McIntosh Mobile Home Park - Water Main Replacement

Dear Members of the Board:

In September of this year, your Board approved a Disposition and Development Agreement (DDA) with the Santa Cruz Community Housing Corporation (CHC) for the purposes of rehabilitating and expanding the 19-unit McIntosh Mobile Home Park in Soquel. CHC, with Mercy Housing California (Mercy) as the developer, has been awarded \$1,000,000 in HOME funds for the project through the State Department of Housing and Community Development (HCD); they are working with HCD staff to complete the documentation needed to release these funds. The project is currently scheduled to start construction next spring.

One requirement of the project is the replacement of the water main. The City of Santa Cruz will reimburse the developer for the costs of this work, up to its engineer's estimate. However, the City is only able to reimburse as funds are available within their Capital Improvement Plan, currently estimated to be over a period of 2 to 3 years. The developer must provide the funds up front to pay the contractor. The engineer's estimate for the required work is \$52,655.99. CHC/Mercy has completed the bid process and received a low bid of \$67,407.50. CHC has requested that the Agency provide these funds, to be reimbursed to the Agency as the City reimburses CHC. They have also requested that the agreement be with Mercy, rather than CHC, because Mercy is anticipated to own the park at the time the City provides reimbursement for the work.

We are recommending that your Board approve the attached Reimbursement Agreement (Attachment I), which includes the following terms:

- . Mercy will enter into the construction contract for the work
- . Mercy will enter into the reimbursement agreement with the City
- . The Agency will provide a loan to Mercy for the amount of the construction contract
- . Mercy will reimburse the Agency as follows:
 - . \$14,751.51 -- the difference between the engineer's estimate and the low bid will be charged to the development budget and will be repaid by Mercy when

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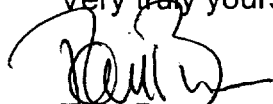
- other project funds become available, but no later than June 30, 1998
- the remaining \$52,655.99 will be reimbursed to the Agency as Mercy is reimbursed by the City

This will allow the project to proceed in a timely manner.

It is therefore RECOMMENDED that your Board, as the Board of Directors for the Redevelopment Agency:

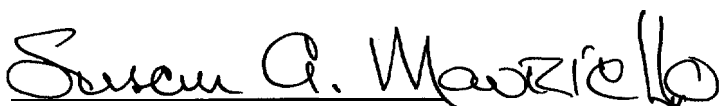
1. Approve the Reimbursement Agreement with Mercy Housing California in the amount of \$67,407.50; and,
2. Authorize the Redevelopment Agency Administrator to sign the agreement and take necessary actions to implement the agreement.

Very truly yours,



Tom Burris
Redevelopment Agency Administrator
TB:PH

RECOMMENDED:



Susan A. Mauriello
Redevelopment Agency Director

Attachments

cc. RDA
Mercy

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REIMBURSEMENT AGREEMENT

Between Mercy Housing California and the County of Santa Cruz Redevelopment Agency For Water Main Replacement Work Related to the McIntosh Mobile Home Park

Mercy Housing California (hereinafter referred to as "Mercy") and the County of Santa Cruz Redevelopment Agency (hereinafter referred to as "Agency" or "the Agency") enter into this Reimbursement Agreement (Agreement), under which Mercy will oversee the water main replacement work required in conjunction with the development of the McIntosh Mobile Home Park (M M H P).

RECITALS

A. Agency owns MMHP.

B. Under the terms of the Disposition and Development Agreement dated September 15, 1998, between the Agency and the Santa Cruz Community Housing Corporation ("SCCHC") and signed by Mercy Housing California with regard to the transfer of ownership ("DDA"), SCCHC is the developer of improvements at MMHP.

C. Under the terms of the DDA, ownership of MMHP will transfer to SCCHC prior to commencement of construction, and will transfer to Mercy no later than 60 days after completion of construction.

D. The following improvements to upgrade the Soquel Drive water main are required in conjunction with the development of MMHP: Construct 545 L.F. of 10" PVC and 80 L.F. of 6" PVC water main replacement on Soquel Drive between 41st Avenue and the McIntosh Mobile Home Park.

E. Competitive bids have been accepted and Mercy and the City of Santa Cruz Water Department ("City") have accepted a low bid in the amount of \$67,407.50 from Monterey Peninsula Engineering ("Contractor").

F. The City has agreed to reimburse up to \$52,655.99 of the costs involved in the water main replacement.

G. Mercy has agreed to enter into a Replacement Agreement with the City for reimbursement of \$52,655.99 of the costs involved in the water main replacement.

H. Mercy has agreed to pay for the remaining \$14,751.51 balance of the water main replacement costs from its MMHP Development budget.

I. Agency has agreed to provide the \$67,407.50 to reimburse Mercy for Contractor's work, with \$14,751.51 to be reimbursed to Agency by Mercy from its MMHP Development Budget and the remainder to be reimbursed as Mercy receives the funds from the City under the terms of its Replacement Agreement.

Based upon the foregoing Recitals, and in consideration for their respective performance, Agency and Mercy hereby agree as follows:

1. Construction Contract

1.1 Mercy will execute a construction contract between Contractor and Mercy in the amount of \$67,407.50 (“Construction Contract”).

1.2 Mercy will be fully responsible for administering the Construction Contract, including performing the following tasks:

- a. Oversee bidding the work.
- b. Draft the construction contract and oversee any needed revisions.
- c. Obtain all required permits and rights-of-way, and coordinate the processing of building and encroachment permits with the City of Santa Cruz Water Dept., the Santa Cruz County Department of Public Works, the project architect, and the project engineer.
- d. Pay all required permit fees.
- e. Issue notice to proceed.
- f. Coordinate all weekly construction site meetings.
- g. Prepare and coordinate all Change Order requests.
- h. Coordinate all Requests for Information between contractor, architect, engineer and Water Department.
- i. Act as co-signer on all Draw Requests and Change Orders.
- j. Coordinate monitoring of all Lien Releases.
- k. Coordinate final inspections.
- l. Coordinate release of any retentions upon completion of work.

1.3 Compensation to Mercy: Mercy will be compensated for its services in administering the Construction Contract through the Developer Fees for MMHP project as outlined in the DDA.

2. Agency Loan

2.1 Agency shall provide a loan of \$67,407.50 to Mercy (“Agency Loan”) in order to allow Mercy to meet its financial obligations under the Construction Contract.

2.2 Mercy shall provide Agency with copies of the fully executed Construction Contract and the fully executed Replacement Agreement, prior to disbursement of any funds.

2.3 Disbursement of Loan Funds:

- a. Mercy shall submit a request for payment to Agency, no more often than once a month, for work completed with payment due under the terms of the Construction Contract.
- b. Agency shall have the right to inspect construction work to verify its completion prior to payment.
- c. Agency shall make payments to Mercy. Mercy shall be responsible for payments to Contractor.

2.4 Loan Repayment: Mercy shall repay the Agency Loan as follows:

- a. \$14,751.51 shall be repaid by Mercy from its MMHP Development Budget. This amount shall be repaid within sixty (60) days of receipt by Mercy of HOME funds, as described in the DDA, and in any case no later than June 30, 1999.

b) The remaining \$52,655.99 shall be repaid as Mercy receives the funds from the City. Mercy shall notify Agency of receipt of funds from the City within five (5) working days of receipt, and Agency shall receive its repayment of the funds within thirty (30) days of the payment to Mercy by the City,

3. Termination of This Agreement

This Agreement may be terminated by written agreement of both parties. Mercy shall be responsible for repaying to Agency any funds provided by Agency as of the date of termination, within thirty (30) days of the date of termination.

4. Assignment

The rights and obligations under this Agreement are based upon the special skills and abilities of the parties hereto, and there shall be no assignment of such rights and obligations without prior written consent of the parties to this agreement.

5. Non-Discrimination

The parties agree that they perform as Equal Opportunity and Affirmative Action employers, and will not discriminate against any employee in hiring and employment practices because of race, color, religion, gender, sexual orientation, national origin, age, physical or developmental handicap for any position which the applicant or employee is qualified,

6. Time Is of the Essence

Time is of the essence for each provision of this Agreement

This agreement is entered into on the _____ day of _____, in the year of 1998.

Mercy Housing California

By: James Graf
County of Santa Cruz Redevelopment Agency

Its: President

By: _____

Its: _____

Approved as to form:

By: Joe M. Scott
County Counsel