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Title: CONSIDER AMENDMENT NO. 1 TO MDG ASSOCIATES, INC FOR CONTRACT SERVICES FOR THE CITY'S COMMERCIAL FAÇADE IMPROVEMENT PROGRAM AND THE PERMANENT LOCAL HOUSING ALLOCATION (PLHA) SINGLE-FAMILY HOUSING REHABILITATION PROGRAM (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit No. 1 - Original MDG Contract, 2. Exhibit No. 2 - MDG Contract Amendment 1

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, February 06, 2024

Consent

SUBJECT:

CONSIDER AMENDMENT NO. 1 TO MDG ASSOCIATES, INC FOR CONTRACT SERVICES FOR THE CITY'S COMMERCIAL FAÇADE IMPROVEMENT PROGRAM AND THE PERMANENT LOCAL HOUSING ALLOCATION (PLHA) SINGLE-FAMILY HOUSING REHABILITATION PROGRAM (CITY COUNCIL)

I. SUMMARY

The Commercial Façade Improvement Program ("Façade Program"), made available in latter part of 2022, provides Carson businesses and property owners with matching grants to improve their storefronts and attract new visitors to the City's major commercial corridors. Staff have been working with Façade Program applicants to advance their projects. As these projects move from the design stage to construction, a consultant is needed with technical expertise in property inspections, public bidding, construction processes and management.

MDG Associates, Inc ("MDG") is currently contracted with the City (Exhibit No. 1) to provide technical assistance for residential and commercial rehabilitation projects. The proposed Amendment No. 1 (Exhibit No. 2) to the MDG contract ("Amendment No. 1") modifies the scope of services and clarifies the funding sources to continue supporting two new City-

programs: 1) Façade Program, funded with General Fund, and 2) Single Family Residential Rehabilitation Program, funded with Permanent Local Housing Allocation (“PLHA”) funds. The scope now includes the preparation of bid packages for distribution, bid walk with applicants and contractors, and construction progress inspections. These services are particularly needed for the East Carson Street Corridor façade project. Approximately two dozen applicants consisting of mom-and-pop businesses and property owners make up this East Carson Street corridor, and additional assistance with the overall construction processes and management will be required. An additional increase in compensation in the amount of \$168,250 is requested for services related to the Façade Program. Therefore, if approved, the three-year initial term not-to-exceed total compensation will increase from \$600,000 to \$768,250.

II. RECOMMENDATION

TAKE the following actions:

1. **APPROVE** Amendment No. 1 to the MDG Associates, Inc. contract to provide Façade Program services by increasing the contract amount by \$168,250, for a total contract amount not to exceed \$768,250.

2. **AUTHORIZE** the Mayor to execute Amendment No. 1 for MDG Associates, Inc. contract following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE any other action the City Council deems appropriate.

IV. BACKGROUND

Façade Program and General Updates

The goal of the Façade Program is to facilitate commercial revitalization, stimulate private investment, preserve and beautify the commercial corridors, upgrade the physical image of the city, and to generate shopping, tourism, and a pleasant walking environment by improving the visual aesthetics of the targeted areas with enhancements in design, color schemes and building façades through the use of the City.

Under the Façade Program, tenants and/or property owners may qualify for a reimbursement grant of \$2,500 to \$25,000 for storefront aesthetic improvements. A dollar-for-dollar matching is required for amounts over \$2,500. For owners of multi-tenant centers, the maximum grant is \$250,000 based on a total expenditure of no less than \$497,500 on eligible exterior improvements (subject to additional requirements). Starting in late 2022, property and business owners could officially take advantage of this program.

Over the past year, staff have been working with Façade Program applicants to advance their façade project with the City. To date, staff have received applications from the following businesses:

- East Carson Street Corridor:
 - 20 businesses (14 properties) on the north side of Carson Street between 2601 E. and 2717 E. Carson Street
- Multi-Tenant Centers at:
 - 302 E. Carson Street (Carson and Dolores),
 - 22200 S. Main Street (Main and Jay Street), and
 - 18409 S. Avalon Blvd (Avalon Blvd between 184th and 186th Street)
- Single Businesses:
 - Manila Sunrise at 21828 S. Main Street and
 - Tony Roma's at 20720 S. Avalon Blvd

The project development timeline varies from applicant to applicant but is generally expected to be carried out within the next 12 to 24 months. Staff is currently fine-tuning the Façade Program scope, budget, and timeline with each applicant. At a future Agenda meeting, staff will formally request approval of a funding agreement(s) with the applicants. Additional project details will be provided then.

The City Council previously authorized \$1,000,000 from the General Fund Reserve for the Façade Improvement Program. However, so far, based on the applications and interests received, it is likely that additional Façade Program funds will be needed, especially if it is the City's intention to continue the program long-term. At a future meeting, staff will be requesting the City Council whether additional Façade Program funding is desired. A programmatic update to Council will be provided at the time the request.

Amendment No. 1

Staff previously conducted a Request for Proposal (RFP) to select a qualified vendor to provide residential and commercial inspection services and selected MDG. The proposed Amendment No. 1 clarifies the scope of services while specifying that funds allocated to the contract will be paid from designated accounts for both the Façade Program and PLHA Single Family Residential Rehabilitation Program. Staff is recommending approval the Amendment No. 1, which would provide the following services for both the Façade Program and Single-Family Residential Rehabilitation Program:

- Property Inspections and Work Specifications
- Bid and Construction Process

- Construction Management Oversight

V. FISCAL IMPACT

The cost for this Amendment No. 1 is \$168,250 through June 30, 2026. Costs are to be paid from Façade Program Account Number 101-70-701-100-6004 (Community Development/Professional Services). Additionally, any services provided in connection with the PLHA Residential Rehabilitation Program will be funded out of the following Account Number: 221-50-790-711-6004. No additional increase in compensation is needed for the PLHA Rehabilitation Program. MDG will be paid for actual work conducted and is not guaranteed the full contract amount.

VI. EXHIBITS

1. Contract Services Agreement by and between City of Carson and MDG Associates, Inc. (pgs. 5-58)
2. First Amendment to MDG Associates, Inc. Agreement (pgs. 59-66)

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