# Roseland Village Neighborhood Center

**Title:** Roseland Village Neighborhood Center

**Recommended Actions:**

1. Board of Supervisors, Board of Commissioners, and Board of Successor Agency: Authorize the Sonoma County Community Development Commission, General Services Department, and Regional Parks Department to use previously committed Reinvestment and Revitalization funds to pay for interim uses and improvements for the Roseland Village Neighborhood Center property.

2. Board of Commissioners and Board of Successor Agency: Authorize the Sonoma County Community Development Commission to issue a Request for Qualifications and Preliminary Proposals to identify development partner(s) for the Roseland Village Neighborhood Center project.

3. Board of Commissioners: Authorize the Executive Director of the Sonoma County Community Development Commission to execute an extension to the existing contract with Crandall Roofing to provide up to $50,000 in Roseland Low- and Moderate-Income Housing Asset Funds for repair and maintenance services at the Roseland Village Neighborhood Center property, for the period from March 1, 2015 – June 30, 2016.

**Executive Summary:**

Approval of this agenda item will authorize the Sonoma County Community Development Commission (CDC), and the General Services and Regional Parks Departments, to use Reinvestment and Revitalization (R&R) funds that have been approved for the Roseland Neighborhood Center mixed-use development project to pay for planning and development of interim measures that will enable public use of property while planning for permanent development is ongoing. Approval of this item will also authorize the CDC to begin a two-stage process to identify a qualified development partner for the project. This item will also authorize the CDC Executive Director to execute a contract extension with
Crandall Roofing to use up to a total of $50,000 of Roseland Low- and Moderate-Income Housing Asset Funds (LMIHAF) to make roof and water intrusion repairs as may be needed to the building currently under lease to the Dollar Tree Store, until such time as that building is razed prior to development of the site.

**Background**

In March 2011, the CDC, in its capacity as the Sonoma County Community Redevelopment Agency (RDA), acquired the Roseland Village property located at 665 Sebastopol Road with plans to complete required environmental remediation and redevelop the site as a pedestrian-oriented, mixed-use neighborhood center, as envisioned in the 2007 Sebastopol Road Urban Vision Plan. As approved by the Board of Commissioners and Board of Supervisors, the CDC (for the RDA) entered into an Agreement with the County General Services Department (GSD) to provide $6.92 million of Roseland Redevelopment Project funds for environmental remediation and the planned public improvements on the site.

On February 1, 2012, pursuant to the enactment of ABx1 26 (the Redevelopment Dissolution Act), the RDA was dissolved, a Successor Agency was designated to conduct any remaining business of the RDA, and an Oversight Board was established to supervise the unwinding of the RDA’s assets and obligations. Also pursuant to the Dissolution Act, all agreements entered into between the RDA and the County were invalidated, including the Roseland Village Agreement. However, on March 26, 2012, the Oversight Board authorized the Successor Agency to re-enter into this Agreement as permitted under the Dissolution Act for the benefit of the taxing entities in the former Redevelopment Project Areas.

In April 2012, the State Department of Finance (DOF) unilaterally determined that the Roseland Village Agreement was not a valid enforceable obligation. DOF disallowed expenditure of Redevelopment Property Tax Trust Funds (RPTTF) or cash on hand for work under the Agreement, and demanded return of $1.5 million in remaining Redevelopment cash currently held by the Successor Agency for the project. In 2014, DOF partially reversed its decision by agreeing that the environmental remediation portion of the work is an enforceable obligation that can use RPTTF. DOF continues to deny use of cash for remediation work, and use of any funds for other planned improvements.

The Successor Agency refused to remit the cash on hand, and filed two legal actions to overturn the DOF’s decisions. On September 9, the Sacramento County Superior Court issued an order upholding the validity of the Roseland Village Agreement. Following DOF’s appeal of the ruling, the Court of Appeal heard the case on January 21, 2015, and its decision is pending. Action on the second phase of litigation related to use of cash reserves for work under the Agreement has been stayed until the first matter is resolved. Until that time, all Redevelopment funding for the non-remediation portions of the project remains unavailable.

In addition, the Governor has asked the Legislature to make modifications to the Dissolution Act as a part of this year’s budget process. One of the requested modifications would result in the invalidation of the Roseland Village Agreement even if the Successor Agency prevailed in the pending litigation.

Given the lengthy delay as the Successor Agency attempts to receive authority to spend the available cash and future RPTTF funds, your Board allocated $3.96 million from R&R funds in FY 2013-14 and FY 2014-15, and projects commitment of an additional $1.47 million in subsequent years. The R&R funds enable planning and development work called out in the Agreement to proceed and will be repaid with

Revision No. 20140617-1
redevelopment funds, unless DOF prevails in the litigation or the Dissolution Act modifications requested by the Governor become law.

**Interim Use Improvements**

The ultimate completion of any mixed use development on the property is still years away; however, over the course of the last several months, the property has undergone a significant transformation as the 4 vacant and dilapidated buildings on the site were razed. The view from Sebastopol Road now extends through to the Joe Rodota Trail, opening up a large portion of the site for new uses. Staff has obtained broad community input about desired public uses for the property and is seeking authorization to use R&R funds to move forward with a number of improvements, some of which would be temporary in nature.

The proposed interim improvements are described below in conceptual form, and more work is needed to refine plans and define costs. Because the Agreement that comprises the enforceable obligation between the Successor Agency and GSD primarily addresses permanent improvements to the property, it is possible that a DOF challenge to use of redevelopment funds for interim improvements would be successful, meaning that the County would not be reimbursed for R&R contributions to such interim improvements even if the CDC prevails in the pending litigation. This could result in the R&R funds becoming a permanent investment in the project. Despite this possibility, staff recommends using up to $500,000 for these or similar interim improvements to enable members of the community to gain near-term use of the property while still maintaining sufficient funds for the planned permanent public improvements, and is seeking your Board’s conceptual approval prior to expending additional time and effort to finalize plans. Staff would return for specific contract approvals as required under the County and CDC procurement policies.

The proposed interim uses include the following:

1. The one remaining structure on the property is occupied by the Dollar Tree Store, whose 40-year lease expires as of May 1, 2015. This building will eventually be demolished prior to development of the property. Discussions are underway regarding potential for a new, shorter-term lease with the Dollar Tree that would enable the store to continue in operation on site during the development planning period, but would also allow the portion of the building now being subleased by the Dollar Tree to other tenants to be made available for interim public uses such as those described in 2.f below. Staff will return to your Board with a new proposed lease if and when negotiations are successfully completed.

2. Physical improvements to the property are needed to provide desired services and recreational amenities, and to ensure safety and access to the site during the longer-term development planning period. The contemplated improvements being discussed include those listed below, and estimated budgets and concept plans for some of the suggested improvements are attached.
   a. Recreational amenities including playground and exercise equipment, such as pictured in the attached examples, which could be either temporary or permanent installations.
   b. A sitting area with benches and a shade structure, which could foreshadow the permanent plaza contemplated in the Roseland Village Agreement.
c. An undeveloped, larger public gathering area on the remaining pad of the former grocery store, with a storage container equipped with folding chairs and pop-up tents, and additional lighting.

d. Wi-fi connectivity, landscaping, locations for public art, ground mural installation.

e. Pavement maintenance and repair, restriping of parking areas and paths of travel, fencing and bollards for safety, trash cans, and ADA access work.

f. Indoor space for public services, activities, and restrooms, either by repurposing a portion of the existing building or by installing a temporary portable building on the site. The public space would be for both interim and permanent uses, as it would serve as a location for community gatherings and meetings, exercise classes, educational opportunities, a potential location for a lending library, a Boys and Girls Club, and also as a location where the community could submit their own ideas and drawings related to the planning of the permanent infrastructure and associated planning for the final development of the site.

3. The CDC plans to enter into an Agreement for Services with the Regional Parks Department in an amount not to exceed $25,000 for planning of recreational amenities on the property. This Agreement will allow the CDC to access the expertise of Parks planning staff for the design and placement of recreational improvements on the property, and for safe movement of residents through the site. Parks will assist in planning links between the planned permanent public plaza and the Joe Rodota Trail, in furtherance of the grant to the CDC from the Agricultural and Open Space District that will help to pay for plaza design and construction. Upon your Board’s approval to use R&R funds for interim improvements, the Agreement between CDC and Regional Parks would be executed as a subcontract under the existing Inter-Agency Agreement between CDC and GSD, using R&R funds already committed for project planning work.

4. The CDC plans to enter into an Agreement for Professional Services with LIFT- Levántate (LIFT) to build organizational capacity to facilitate the development and provision of activities, programs, and services requested by residents during community meetings. LIFT has strong experience and expertise in community engagement, planning, and coordinating local partners to provide services to diverse communities. As noted in the attached Scope of Work, the Agreement will be for a term of 6-months with a cost not to exceed $25,000.

LIFT will provide train-the-trainer services, preparing staff and local partners to lead the community engagement efforts, to program related government and non-profit services in an integrated fashion using the property as a nexus and place for events, and to outreach to the community to build relationships and inspire connections amongst service providers for the benefit of those agencies and the community. LIFT will also recruit, train, and provide stipends for Community Promotores who will help to promote participation in activities at the Roseland Village Neighborhood Center property. An emphasis will be on services that promote the health and well-being of residents, such as after-school programming, physical activity, young families groups, and nutrition. Upon your Board’s approval to use R&R funds for interim uses, the Agreement between CDC and LIFT would be executed as a subcontract under the existing Inter-Agency Agreement between CDC and GSD, using R&R funds already committed for project planning work.
Request for Qualifications and Preliminary Proposals from Developers

Staff recommends a two-stage Request for Qualifications/Proposals process to identify development partner(s) for the mixed-use development contemplated by the Roseland Agreement and the Urban Vision Plan for the site. Having a development team in place throughout the public improvement planning and design process will ensure that the expenditure of public funds for public improvements on the property will be coordinated and consistent with the later private development of the property.

The CDC plans to issue an initial Request for Qualifications and Preliminary Proposals (RFP) to identify qualified and interested developers. The attached RFP Background and Developer Selection Process Overview describes the opportunity for development, the requirements for the site as envisioned in the Urban Vision Plan, such as the one-acre plaza, the availability of funds to construct public improvements on the property, and the types of uses that have been identified as desirable by the community. The RFP will solicit conceptual proposals for the eventual development of the property, and request that prospective developers address how their proposals meet the criteria of the Urban Vision Plan and the expressed community goals for the property. Developers will also be required to generally describe how the development would be financed, the number and type of affordable units proposed, and any financing contingencies or obstacles.

Staff will request that qualified respondents attend a public meeting in Roseland to describe, and answer questions about, their conceptual proposals. After receiving public input, CDC staff will select a proposed developer or developers to advance to a second stage. Each selected developer will then prepare and submit a more detailed project proposal to the CDC. The proposal will describe more specifically what the developer will construct on the property (including the number of affordable housing units) and provide an outline of the financing the developer expects to obtain for the project. The proposal will also set forth any financial contribution expected from the CDC or other entities (e.g., long term deferred payment loans, transfer of the property for less than fair market value, or other financial support).

The next step in the process will involve CDC staff negotiating a design and development agreement for the project with the developer who has provided the best proposal that will describe the respective obligations and contributions of the CDC and the developer with respect to the project. The agreement will provide for the transfer of the property to the developer for purposes of carrying out the project, at a price and upon such terms as are negotiated by the CDC and approved by the Board.

Upon receiving your Board’s approval to issue the RFP as outlined above, the CDC will explain the planned process to members of the Roseland community at a meeting on March 5th and will issue the RFP shortly thereafter.

Roseland Village Building Maintenance

The building leased to the Dollar Tree Store is aged, and requires regular maintenance of the roof to address leaks into the finished interior of the building. Although the building will be razed as a part of the eventual development of the site, while there are active tenants or need to use the building for other interim purposes, the roof will require on-going maintenance. Staff has received an estimate for over $100,000 to re-roof the building, which would be the prudent course of action if the building were
intended to remain for 15 to 20 years; however, this approach is not cost-effective for a building that will be used for a much shorter period of time prior to demolition.

To address roof maintenance needs over the past several years, CDC staff conducted an informal bid process and selected Crandall Roofing as the roof repair vendor, with a $20,000 master contract under which individual scopes of work are created as repairs are needed. Responses by Crandall for emergency repairs and other efforts to mitigate the impact of the aging roof and recently discovered water infiltration damage have resulted in contract expenses of $14,501 to date. Staff anticipates that additional work will be required to keep the roof in reasonable working order during the remaining life of the building.

Because Crandall was the most cost effective choice when the CDC sought bids for services previously, and given their intimate knowledge of the building and roof conditions at this time, staff recommends that that your Board authorize the attached amendment of the current contract with Crandall Roofing in the amount of $30,000, for a revised total contract amount not to exceed $50,000 from Roseland LMIHAF revenue.

Prior Board Actions:

<table>
<thead>
<tr>
<th>Date</th>
<th>Action Description</th>
<th>Authorizing Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/12/14</td>
<td>Approved installation of mural on the Roseland Village property.</td>
<td>Commissioners</td>
</tr>
<tr>
<td>06/17/14</td>
<td>Awarded bid for demolition to Jakela, Inc. for $459,799.</td>
<td>Commissioners</td>
</tr>
<tr>
<td>04/08/14</td>
<td>Approved issuance of bids for demolition; authorized application for Open Space funding for public plaza.</td>
<td>Commissioners</td>
</tr>
<tr>
<td>09/24/13</td>
<td>Approved Inter-Agency Agreement between CDC and General Services for planning / project management for the Roseland Village Project.</td>
<td>Supervisors / Commissioners</td>
</tr>
<tr>
<td></td>
<td>Approved $1,170,250 Environmental Remediation Contract between CDC and Harris &amp; Lee.</td>
<td>Supervisors / Commissioners / Successor Agency</td>
</tr>
<tr>
<td></td>
<td>Approved Interim Temporary Use Policy for the property.</td>
<td>Commissioners</td>
</tr>
<tr>
<td>06/10/13</td>
<td>Adopted FY 2013-14 Budget, including funds for R&amp;R program.</td>
<td>Supervisors</td>
</tr>
<tr>
<td>05/14/13</td>
<td>Approved R&amp;R funding concept and Roseland Village mixed use project as a priority.</td>
<td>Supervisors</td>
</tr>
<tr>
<td>01/18/11</td>
<td>Approved $6.92 million Public Improvements Agreement for Roseland Redevelopment Project.</td>
<td>Supervisors / Commissioners</td>
</tr>
<tr>
<td>07/13/10</td>
<td>Approved acquisition of Roseland Village property.</td>
<td>Commissioners</td>
</tr>
<tr>
<td>06/05/07</td>
<td>Approved Sebastopol Road Urban Vision Plan.</td>
<td>Supervisors</td>
</tr>
</tbody>
</table>

Strategic Plan Alignment

Goal 1: Safe, Healthy, and Caring Community

Continued expansion of public access and use of the Roseland Village Neighborhood site for community uses, healthy activities and programming, and recreation use.
Fiscal Summary - FY 14-15

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Funding Source(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgeted Amount</strong></td>
<td>$ 530,000</td>
</tr>
<tr>
<td><strong>Add Appropriations Reqd.</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>State/Federal</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>Fees/Other</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>Use of Fund Balance</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>Contingencies</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>R&amp;R / Roseland LMIHAF</strong></td>
<td>$ 530,000</td>
</tr>
</tbody>
</table>

**Total Expenditure** $ 530,000

**Total Sources** $ 530,000

**Narrative Explanation of Fiscal Impacts (If Required):**

The Board has previously authorized $5.43M from R&R funds for the Roseland Project. This action would authorize $500k for the subcontracts between CDCE, Regional Parks, and LIFT. Roseland LMIHAF funds are budgeted to cover the $30,000 increase in the Crandall Roofing contract.

**Staffing Impacts**

<table>
<thead>
<tr>
<th>Position Title (Payroll Classification)</th>
<th>Monthly Salary Range (A – I Step)</th>
<th>Additions (Number)</th>
<th>Deletions (Number)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Narrative Explanation of Staffing Impacts (If Required):**

None.

**Attachments:**

1. Budget estimates and concept plans for various interim and permanent improvements
2. Examples of playground and exercise equipment
3. LIFT-Levántate Agreement Scope of Work
4. Request for Qualifications and Preliminary Proposals: Background & Selection Process Overview
5. Contract Amendment with Crandall Roofing

**Related Items “On File” with the Clerk of the Board:**

None.