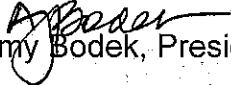




## MEMORANDUM

**DATE:** June 15, 2011

**TO:** Board of Directors  
The Long Beach Housing Development Company

**FROM:**   
Amy Bodek, President

**PREPARED BY:** Norma C. Lopez, Development Project Manager

**SUBJECT:** 3361 Andy Street Rehabilitation (CD 9)

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### RECOMMENDATIONS

1. Approve a budget of up to \$462,180 for the rehabilitation of 3361 Andy Street and relocation of existing tenants; and
2. Authorize the President or designee to execute any and all documents necessary to implement the recommended actions above.

### BACKGROUND

On March 21, 2007, the LBHDC Board authorized the purchase of a property located at 3361 Andy St. in North Long Beach. Attached as Exhibit A is a site map. The property is a four-unit apartment building built in 1963, composed of three 2-bedroom/1.5 bath and one 3-bedroom/1.5 bath units, with 1,250 and 1,425 sq. ft. of living space, respectively. It was originally purchased by the Long Beach Redevelopment Agency as part of an effort to clean up and revitalize the Andy Street neighborhood.

The Andy Street Neighborhood is a block-long area located west of Downey Avenue and one block north of South Street in North Long Beach, consisting of 24 four-unit apartment buildings. Andy Street was long known for crime and gang activity. In the late 1990s, a Community Development Impact Team (CDIT) comprised of various City departments was formed to address the area's chronic problems. The CDIT explored various alternatives to address the problems plaguing the neighborhood. One of the more cost effective solutions was to acquire a building, rehabilitate it and help organize the neighborhood. Hence the Redevelopment Agency purchased the property at 3361 Andy St. in 2002. Subsequently, the residents, property owners and City staff worked together to form the Andy Street Multi-family Improvement District (AMID) in 2007, the first of its kind in California, under the Multi-family

**MAKING  
AFFORDABLE  
HOUSING  
HAPPEN**

AGENDA ITEM NO. 5

Mailing Address:  
110 Pine Avenue  
Suite 1200  
Long Beach, CA 90802  
Tel 562/570-6949  
Fax 562/570-5921

Improvement District Law passed in California in 2004. Through the AMID, the property owners and adjacent businesses agreed to assess themselves in order to pay for supplemental security services.

Since the acquisition of the property by the Agency and later on by the LBHDC, it has been occupied by low- and moderate-income households, and managed by Ernst Haas Management Company. The property is now in need of substantial rehabilitation, as can be seen from pictures attached as Exhibit B. It is anticipated that the renovation of the building will serve as a catalyst for other owners in the block to improve their properties with the assistance of rehabilitation loans offered through the Housing Rehabilitation Division.

### **PROPOSED REHABILITATION**

#### **Rehabilitation Scope and Cost Estimate**

Staff proposes both interior and exterior improvements to the building. The units will have new kitchens and bathrooms, tankless water heaters, and air conditioning among other upgrades. The exterior will be remodeled in accordance with the concept designed by Studio 111, as shown in Exhibit C, excluding the patio. Attached as Exhibit D is a work write up incorporating the proposed rehabilitation work.

The planned improvements are estimated to cost \$320,430. If the Board authorizes this expenditure, staff will solicit bids and will return to the Board with a recommendation and request for approval to enter into a construction contract for the actual cost.

#### **Proposed Affordability**

The maximum rents after rehabilitation are proposed to be set at the low-income level, as shown below.

<b>PROPOSED RENT LEVELS</b>				
<b>No. of Units</b>	<b>Unit Size</b>	<b>Gross Rents</b>	<b>Utility Allowance</b>	<b>Maximum Allowable Monthly Rent</b>
3	2 - br	\$851 <sup>1</sup>	\$116 (2011)	\$735
1	3 - br	\$945	\$142 (2011)	\$803

<sup>1</sup> 2011 Rent Levels have not published yet. Rent levels will vary slightly according to the 2011 figures.

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## **Relocation**

Prior to commencing rehabilitation, existing tenants are required to be permanently relocated in conformance with all federal, state and local relocation laws. Three of the units are occupied and one is vacant. One of the occupied units is rented by a Section 8 Voucher holder and can use this Voucher to relocate. The other two families are also qualified to receive Section 8 Vouchers as a result of their displacement from the property. It is estimated that the cost to permanently relocate the tenants will range between approximately \$30,605 and \$93,685 inclusive of a ten percent contingency. The relocation costs vary depending on the two tenant families' accepting Section 8 Vouchers in lieu of cash relocation payment. Overland, Pacific, and Cutler, Inc. will be undertaking the relocation activities.

## **CONCLUSION**

Staff recommends approval of an expenditure of up to \$462,180 to rehabilitate 3361 Andy Street and relocate existing tenants. This amount is based on the following estimates:

\$ 320,430 – rehabilitation cost estimate  
\$ 48,065 – 15% contingency on rehabilitation  
\$ 93,685 – maximum relocation costs

The final cost of rehabilitation will be determined once a contractor is selected and actual relocation cost will depend on the tenants' choice between cash payment and Section 8 Vouchers.

The Board's approval of the proposed expenditure budget will allow staff to initiate the relocation process and also start the bid process for the rehabilitation work. As mentioned earlier, when the rehabilitation bid process is completed, staff will return to the Board with a request for approval to enter into a contract with the selected contractor for the actual cost of the rehabilitation.

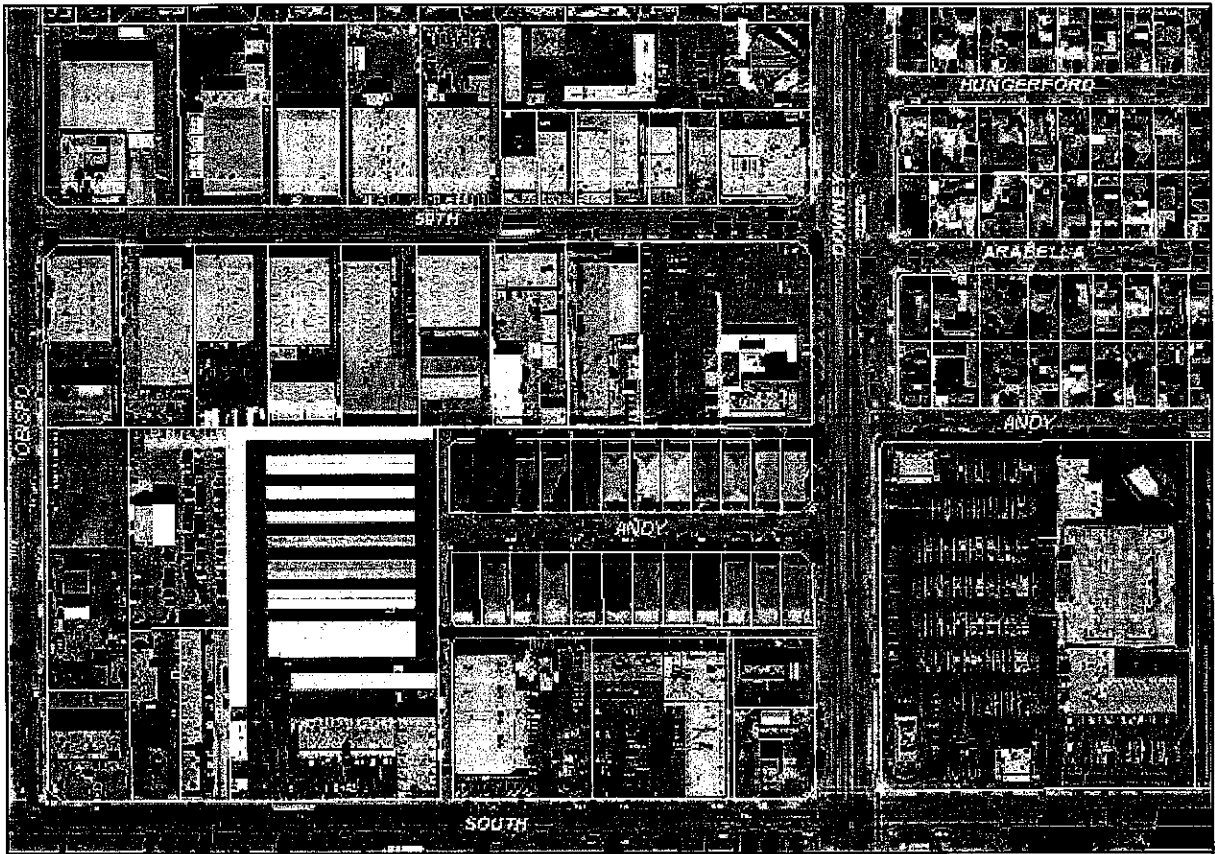
The Projects Committee has reviewed this item on June 7, 2011, and recommends the Board's approval.

ET:PU:NCL

### Attachments:

- A. Site Map
- B. Photographs
- C. Rendering
- D. Work Write-up

# 3361 Andy Street



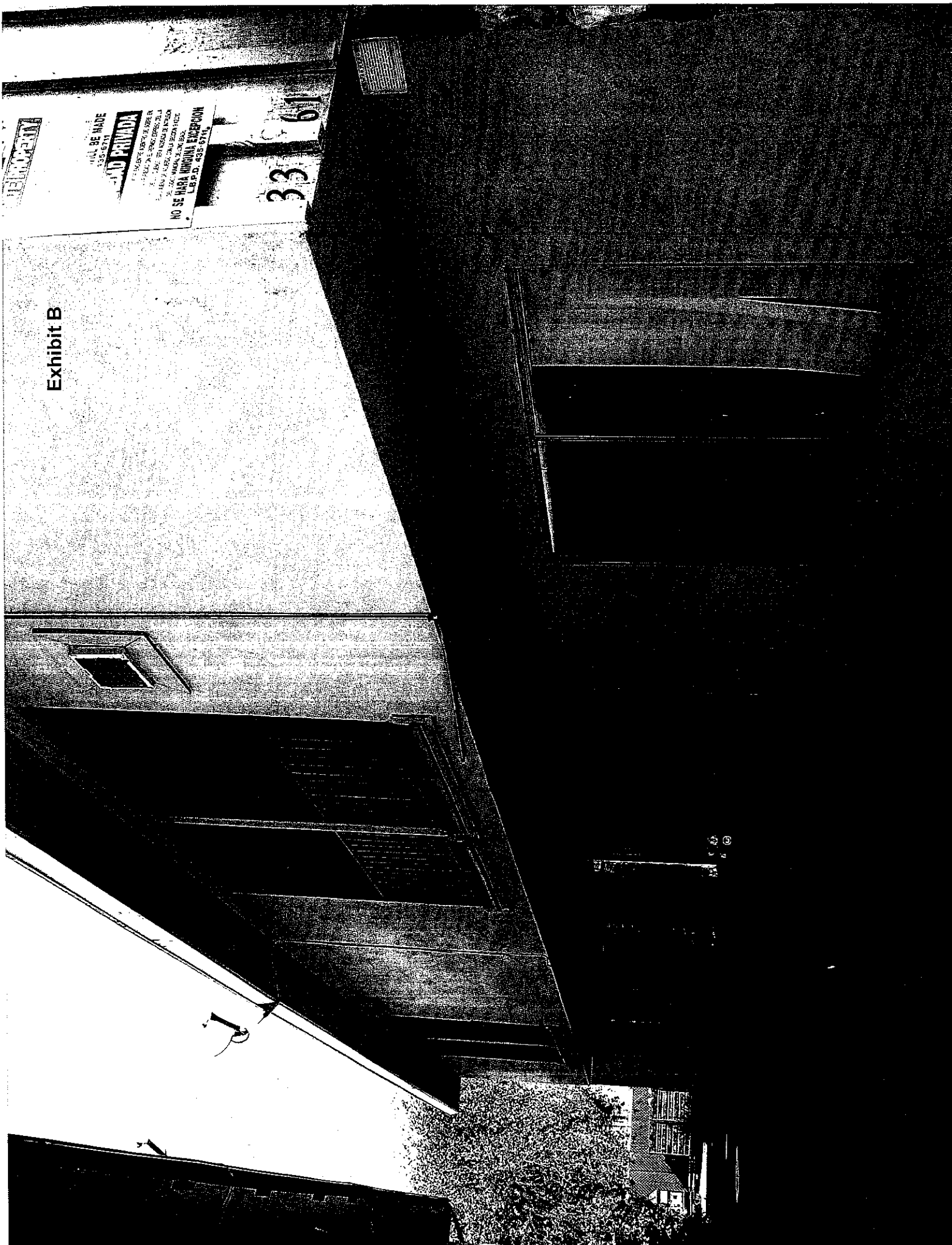
PROPERTY

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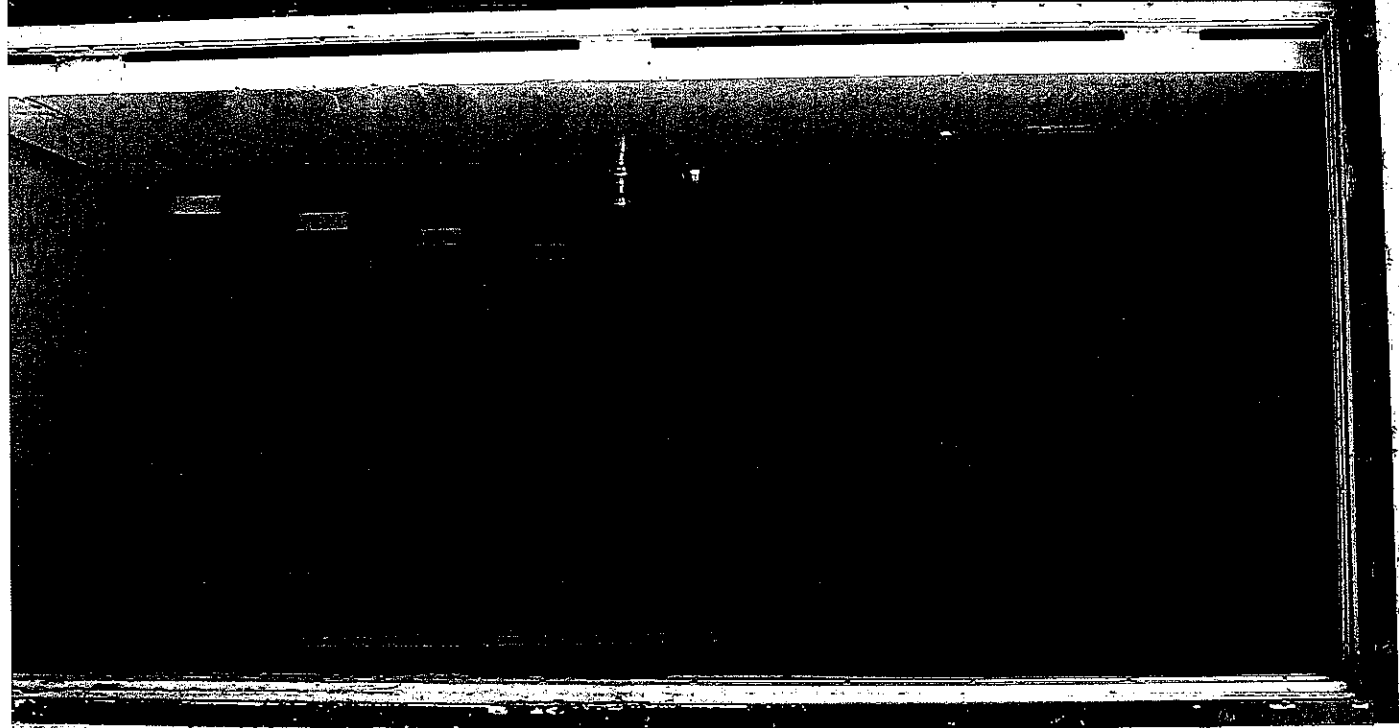
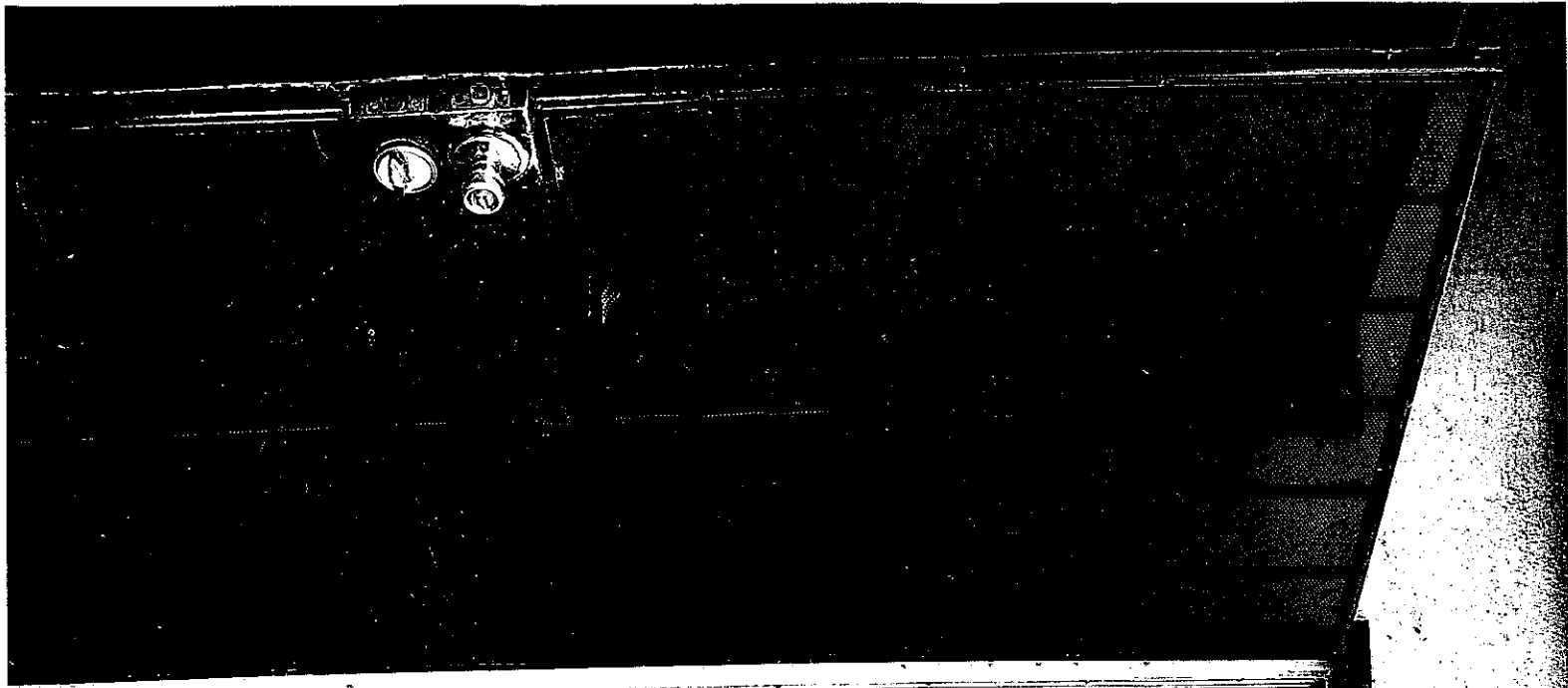
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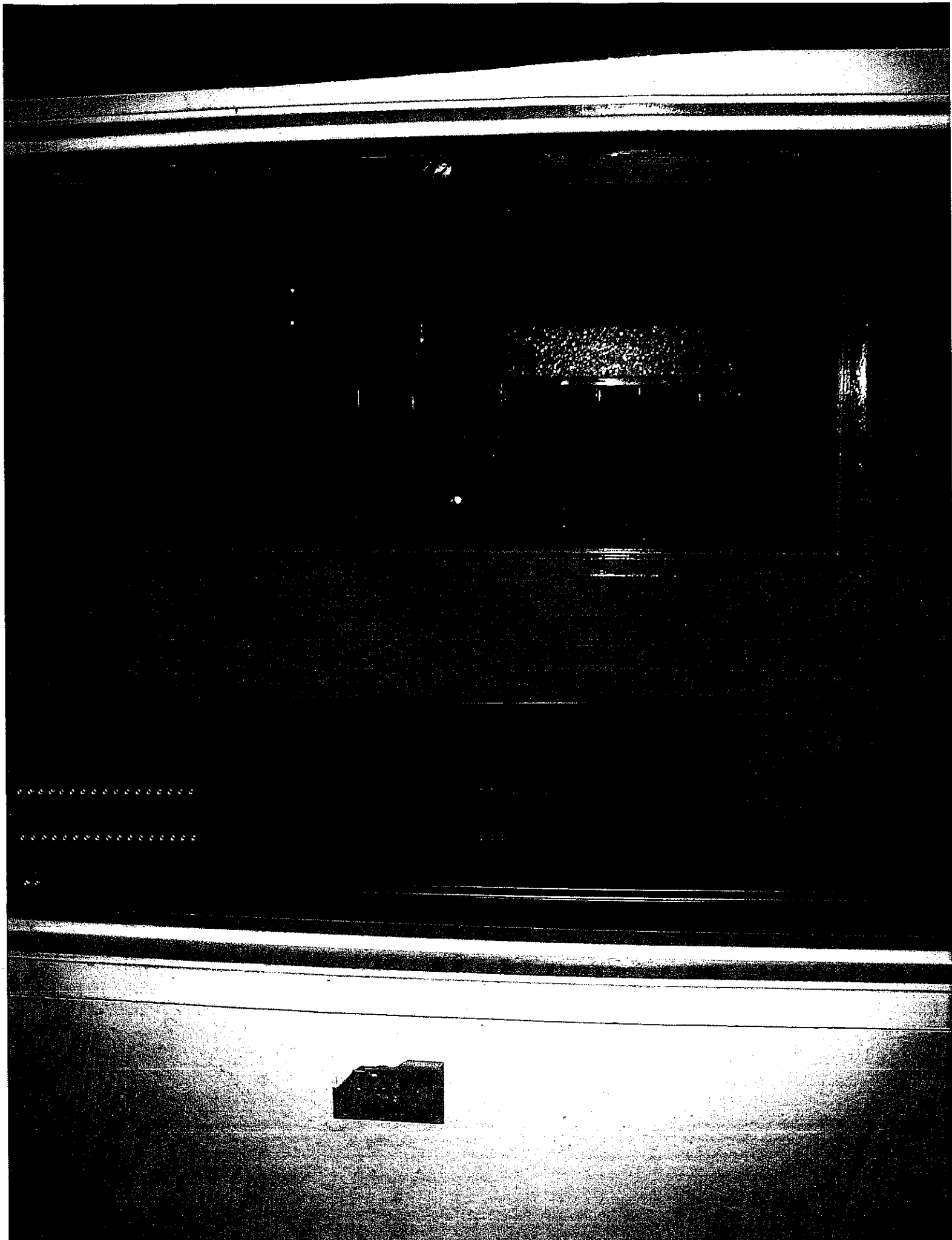
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Exhibit B











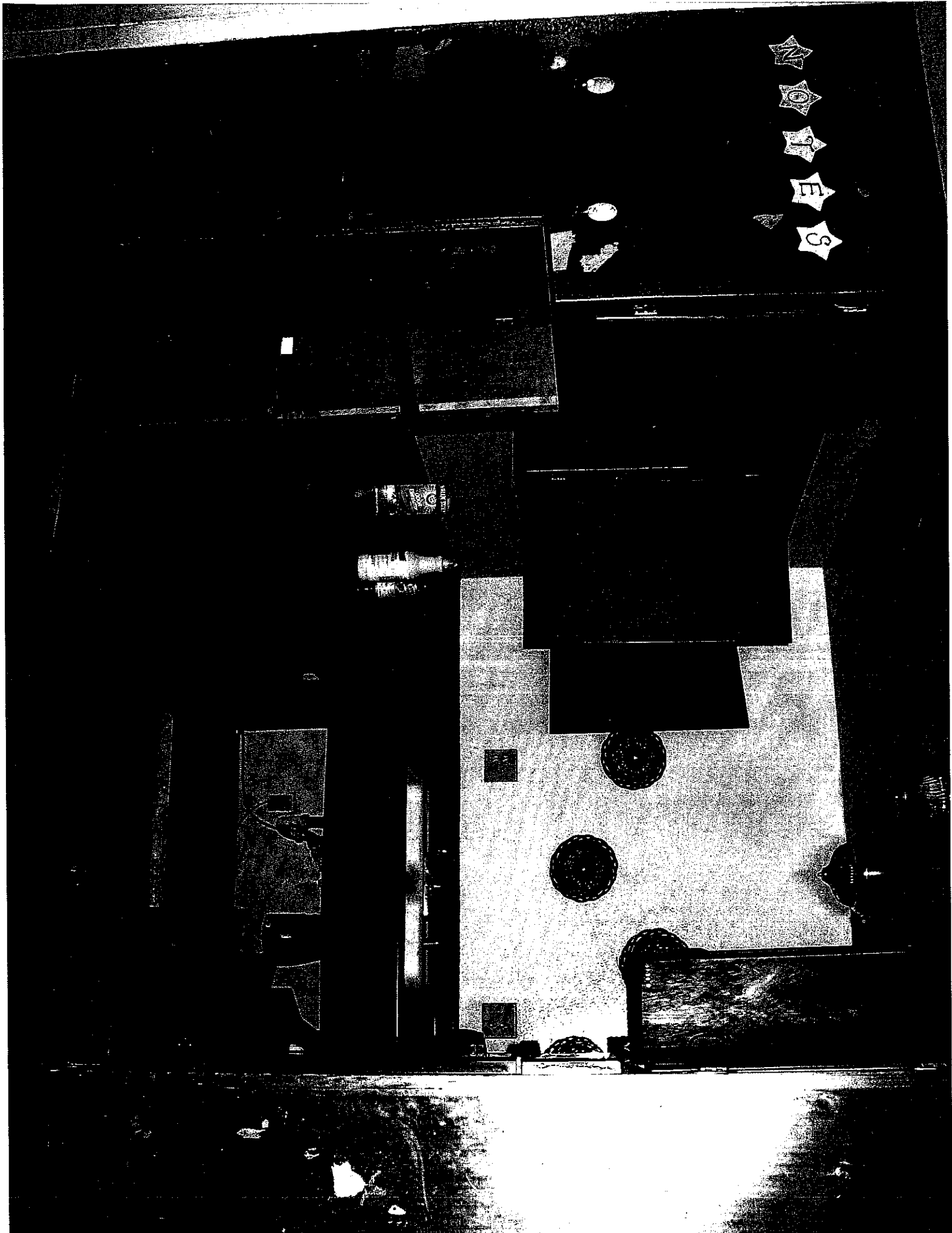
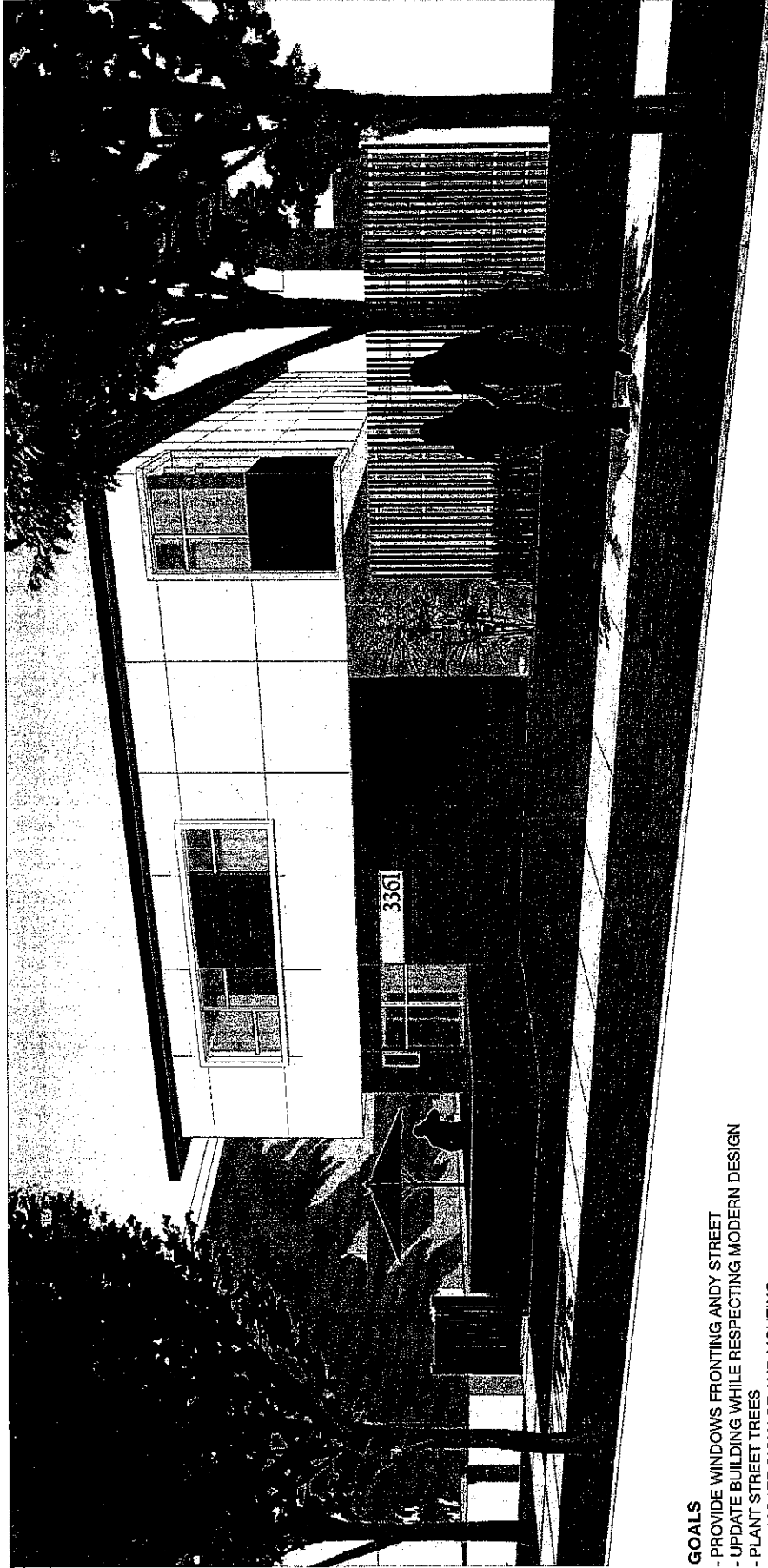






Exhibit C



**GOALS**

- PROVIDE WINDOWS FRONTING ANDY STREET
- UPDATE BUILDING WHILE RESPECTING MODERN DESIGN
- PLANT STREET TREES
- INTEGRATE SIGNAGE AND LIGHTING
- PROVIDE PRIVATE PATIO

# City of Long Beach

110 Pine Ave., Twelfth Floor, Long Beach, CA 90802  
(562) 570-6083 - (562)-570-5921 Fax

## WORK SPECIFICATION- CONTRACTOR BID PROPOSAL

Property Owner: Housing Development Co.

Address of Property: 3361 Andy St.

Zip Code:

Owner's Phone Number: 562-570-6949

Year Built: Early 60's

Contractor:

Address:

Telephone:

Inspection Date: 6/9/2009 - 11/30/2010

Inspected by: Rikki Page

Charge Point:

Loan Officer

State Contractor License

Number:

Expiration Date:

Tax ID # or

Social Security #:

Ethnicity:

The undersigned Contractor hereby submits  
a lump sum bid in the amount of: \$ \_\_\_\_\_

### Acceptance of attached Work Specification and Bid Proposal

Date

Date

Date

Date

Contractor

Reviewed and Approved

All work to be performed shall be in conformance with Long Beach City Codes and Ordinances. Contractor is responsible for property line designation, properly designed plans, securing building permits, certifications and paying fees, if applicable. Contractor shall verify all dimensions on the job site. Owner shall select colors and patterns of materials where applicable. All lead inspection and controls to be performed by State certified company or individual and it is the responsibility of the contractor to provide all documentation to satisfy this requirement from initial inspection through clearance.

Work categorized in priority as:

Priority Code A -- Enforced/Mandatory

Priority Code B -- Incipient Condition

Priority Code C -- Home Improvement

Priority Code GPI -- General Property Improvement

4/29/11

1. Contractor hereby agrees to comply with all conditions and requirements of the Bid and Contract documents. If so requested by the City of Long Beach (City) or Owner, the Contractor further agrees to submit additional information regarding the Contractor's qualifications and financial status.
  2. The City will deliver a copy of the Owner and Contractor Rehabilitation Contract containing the effective date, which shall serve as the Notice to Proceed.
  3. Contractor shall procure and maintain at Contractor's expense, for the duration of this Contract, from an insurance company that is authorized to write insurance in the State of California or that is an eligible surplus lines insurer in the State of California with a minimum rating of or equivalent to an A: VIII by A.M. Best Company, the following insurance:
    - a. Commercial general liability insurance (equivalent in coverage scope to ISO CGL CG 00 01) naming the City of Long Beach, its officials, employees, and agents as additional insureds (equivalent in coverage scope to ISO CG-20 10 11 85) from and against claims, demands, causes of action, expenses, costs, or liability for injury to or death of persons, or damage to or loss of property rising out of activities performed by or on behalf of the Contractor in an amount not less than One Million Dollars (US \$1,000,000) per occurrence and Two Million Dollars (US \$2,000,000) in aggregate.
    - b. Workers' compensation coverage as required by the Labor Code of the State of California and Employer's liability insurance with minimum limits of One Million Dollars (US \$1,000,000) per accident.
    - c. Automobile liability insurance (equivalent in coverage scope to ISO CA 00 01) in an amount not less than Five Hundred Thousand Dollars (US \$500,000) combined single limit (CSL) per accident for bodily injury and property damage covering owned, non-owned, and hired automobiles.Any self-insurance program or self-insurance retention must be approved separately in writing by City and shall protect the City of Long Beach, its officials, employees, and agents in the same manner and to the same extent as they would have been protected had the policy or policies not contained retention provisions. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, or canceled by either party except after thirty (30) days prior written notice to City (ten (10) days for nonpayment of premium), and shall be primary and not contributing to any other insurance or self-insurance maintained by City.
- Any subcontractor which Contractor may use in the performance of this Contract shall be required to maintain insurance in compliance with the provisions of this section. Contractor shall deliver to City certificates of insurance and original endorsements for approval as to sufficiency and form prior to the start of performance hereunder. The certificates and endorsements for each insurance policy shall contain the original signature of a person authorized by that insurer to bind coverage on its behalf.
- "Claims-made" policies are not acceptable unless City Risk Manager determines that "Occurrence" policies are not available in the market for the risk being insured. If a "Claims-made" policy is accepted, it must provide for an extended reporting period of not less than one hundred eighty (180) days.
- Such insurance as required herein shall not be deemed to limit Contractor's liability relating to performance under this Contract. City reserves the right to require complete certified copies of all said policies at any time. Any modification or waiver to the insurance requirements herein shall be made only with the approval of City Risk Manager.
- The procuring of insurance shall not be construed as a limitation on liability or as full performance of the indemnification provisions of the Contract.
4. Owner shall select within "Builder's Line" (standard) quality, all colors, patterns and styles of material not already specified by this Work Specification, with exception of plumbing fixtures, which shall be in all cases white.
  5. All measurements whether supplied or not shall be verified or obtained by the contractor. Where a discrepancy of supplied measurement differs from that of the Contractor, the Contractor shall indicate their own measurement on the applicable Work Specification item and base the item bid amount on their own measurement.
  6. All work as described by this Work Specification shall be completed by the Contractor in accordance with standard building practices and shall comply with all Long Beach building Codes and Ordinances.
  7. All items whether installed or replaced shall be provided by the Contractor and be unused prior to installation. Items removed for replacement, unless specified in writing, shall become the property of the Contractor.
  8. The only additions to this Work Specification, which may be considered, are those, which are necessary due to an unforeseen condition at the time of initial inspection of this property by the City representative. Additional work items, or changes, require a fully executed "CHANGE ORDER" or "ADDENDUM" and must be approved by the City representative prior to the implementation of the requested addition or change.

**THE USE OF LEAD BASED PAINT IS PROHIBITED**

**3361 Andy St. - 4 Units**

- (1) Install smoke detectors per current city code.
- (2) Remove all flooring and kitchen cabinets from first floor of each unit.  
Note: Existing pass through partition wall to remain.
- (3) Install 12 x 12 non skid floor tiles throughout first floor of each unit. Approximately 650 s/f each. Install 6" finished tile boarder. Note: Tile to include laundry and 1/2 bath area and staircase. Owner to approve selection.
- (4) Replace approximately 40 l/f of kitchen cabinets with solid wood - adjustable shelves - hidden hinges and solid metal knobs/handles. Bid to include 4" crown molding on overhead cabinets and heavy duty commercial grade turn style in corner base.

% complete	Payment	Init.	% complete	Payment	Init.	Paid to date	Balance Due	Ret. 15%
0%	\$0		0%	\$0		\$0	\$	-
0%	\$0		0%	\$0		\$0	\$	-
0%	\$0		0%	\$0		\$0	\$	-
0%	\$0		0%	\$0		\$0	\$	-

**3361 Andy St. - 4 Units**

- (5) Replace kitchen tile counter and 8" backsplash along work area. Install additional tile to cover full 36" area behind proposed relocation of range to exhaust fan in each unit. Note: Tile may be substituted for granite of equal cost.
- (6) Replace kitchen sinks with two sided, minimum 8" depth, "Kohler" Stainless Steel or equal - in each unit. Install "Delta" or equal faucets.
- (7) Replace garbage disposer with 3/4 horse "Insinkerator" or equal - in each unit.
- (8) Replace 2 speed duct kitchen exhaust fan with light - in each unit.
- (9) Install free standing, 30" Hotpoint Energy Star, stove/oven in each unit. Currently cook top is located at open wall - relocate to opposite wall - existing space will become breakfast bar area.

% complete	Payment	Init.	% complete	Payment	Init.	Paid to date	Balance Due	Ret. 15%
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**3361 Andy St. - 4 Units**

- (10) Install 15.5 c/f - Hotpoint Energy Star refrigerator - preferably with bottom freezer compartment in each unit.
- (11) Install Hotpoint Energy Star dishwashers in all units. Install all necessary supplies.
- (12) Install wood handrail at staircase in all units.
- (13) Install broom closet in all units at existing water heater location. Note: Water heater will be converted to tankless.
- (14) Remove built in wall heaters and air-conditioners. Patch all openings to match existing texture - in each unit.
- (15) Replace toilet with low volume flush in all bathrooms. Install quarter turn shut-off valves. Replace wax rings and stems.

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0%	\$0		0%	\$0		\$0	\$	-
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**3361 Andy St. - 4 Units**

(16) Replace bathroom sinks with pedestal style on upper and lower bathrooms of each unit. Install quarter turn shut-off valves. Install 'Delta' or equal sink fixture. Owner to approve sink and fixture selection.

(17) Replace all light fixtures and exhaust vents in bathrooms. Owner to approve selection.

(18) Replace dining room light with energy efficient, chandelier style, fixture in all units. Owner to approve selection.

(19) Replace kitchen fluorescent lights in each unit. Owner to approve selection.

(20) Repair subfloor damage in upper bathrooms of each unit. Install non-skid ceramic tile with one full course of finish tile around perimeter of each unit. Owner to approve tile selection.

% complete	Payment	Init.	% complete	Payment	Init.	Paid to date	Balance Due	Ret. 15%
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**3361 Andy St. - 4 Units**

- (21) Replace tubs with pressed steel, standard units. Install 'Delta' or equal tub/shower faucet in each unit.
- (22) Install standard 4x4 ceramic tile around tub surround with full course of finish tile on outside of tub to floor in each unit.
- (23) Replace 38 oz. carpet and pad on second floor landing and each bedroom with recyclable material in all units. Repair all damaged subflooring and install 4" wood base. Owner to approve of selection.
- (24) Prepare all interior surfaces and apply primer and VOC paint in each unit. Make all necessary repairs to drywall match existing texture - no visible patches. Provide owner with color selection boards.
- (26) Install 3 ton HVAC system in each unit. Provide duct into each room.

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**3361 Andy St. - 4 Units**

(26) Install R-30 insulation in all accessible attic areas of each unit.

(27) Remove all layers of roofing and install all framing necessary for installation of skylights in each unit - See #27. Install all required sheathing, felt, metal, vent caps and 30 year comp shingles on 5/12 pitch. Install 12 yr. Torch-on roofing over flat garage area. Approximately 37 squares. Install fascia at rake facing street and replace all damaged eaves, fascia, rafter tails to match existing.

(28) Finish interior of skylight shaft and install 3'x3' skylight at second floor landing of each unit. Skylight to provide air flow and electrical light from switch.

(29) Repair all damaged decking - include skreed - Apply waterproof material such as Elastomeric or equal - in each unit. Provide owner with color selection.

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0%	\$0		\$0	0%	\$0		\$0		\$0		\$0		\$0		\$0

**3361 Andy St. - 4 Units**

(30) Replace 12 standard sliding glass doors with Title 24, retrofit units.

(31) Reduce 5 x 6 windows at each entry with 4H x 5W - Title 24, Low E-3 retrofit sliders.

(32) Unit #4 - Bedroom #2 window does not meet egress requirements. Install Title 24 window to meet compliance. Patch all damage to match existing conditions.

(33) Install Bally-2" horizontal wood simulated vinyl blinds on each window. Install wood simulated vinyl vertical blinds on all sliders.

(34) Install 5 additional windows as shown on Concept drawing on street side. (4 windows to be sliders and 1 stationary) Include 4"x6" wood trim as shown on attached Concept Drawing. Rear balcony to be opened on street side and short wall installed at open balcony side. See balcony details #35

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**3361 Andy St. - 4 Units**

(35) Remove all wood siding and stone from street side. Wrap new built out façade (outlined in #35) and apply smooth stucco with expansion joints as shown on Concept Drawing. Install horizontal board and batten siding as shown.

(36) Extend second floor façade to cantilever additional 9" from first floor (See Concept drawing). Install electrical supply for 30 l/f of recessed lighting at roof line and base of second floor. Build low wall at each balcony with finished interior and horizontal board and batten siding as shown.

(37) Prepare all exterior surfaces by power washing, scraping, sanding and repairing any damage to stucco or wood surfaces. Bid to include new façade. Schedule inspection **Prior** to application of primer and paint. Provide owner with color chart.

% complete	Payment	Init.	% complete	Payment	Init.	Paid to date	Balance Due	Ret. 15%
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0%	\$0		0%	\$0		\$0	\$	-
0%	\$0		0%	\$0		\$0	\$	-

**3361 Andy St. - 4 Units**

- (38) Replace exterior light fixtures with decorative, low voltage fixtures at each unit entry and at each balcony. Owner to approve of selection.
- (39) Replace exterior entry doors of each unit with pre-hung steel units. Install peep hole, deadbolt and security hardware.
- (40) Replace approximately 210 l/f of 6' dogear fence as existing using FSC lumber. **Note:** Bid to include adjacent property fencing - providing privacy between units on both sides.
- (41) Replace existing dogear fencing at street side between 3361 and 3359 with 2"x2" wooden slats installed on metal frame as shown on attached Concept drawing.
- (42) Remove entry 6 x 8 concrete walkway damaged by tree. Remove root system and replace 3" concrete flush to existing sidewalk and entry walkway. Sandblast existing walkway in courtyard.

% complete	Payment	Init.	% complete	Payment	Init.	Paid to		Ret. 15%
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**3361 Andy St. - 4 Units**

- (43) Fill approximately 160 s/f of dirt area at rear - between two properties - with reinforced 2" deep concrete.
- (44) **Garage:** Remove deteriorated partitions in garages. Form and pour 4' H x 10" W x 18' L concrete wall between stalls. Install framing and OSB to divide walls from concrete wall to lid.
- (45) **Garage:** Replace interior lights with motion sensor security lights mounted to lid. Provide electrical switch at entry.
- (46) **Garage:** Install 4'H x 9'W metal storage cabinets at rear wall in each stall.
- (47) **Garage:** Remove custom security handle from each wrought iron garage door. Install commercial grade locking system. Provide owner with proposed specification.

% complete	Payment	Init.	% complete	Payment	Init.	Paid to date	Balance Due	Ret. 15%
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**3361 Andy St. - 4 Units**

(48) Install security light at rear of complex. Set rear security and entry building lights for dusk to dawn operation.

(49) Remove 40 gallon water heaters and replace with tankless in each unit. Tankless to be installed in current location. Note: All electric building.

(50) **Landscaping:** Provide bid to include drip system for 3361 and 3363 along entry and courtyard. Provide plants as shown on attached Concept drawing for both buildings.

(51) Pull combination building permit and post on site. Provide copy upon request for payment #1. Provide final sign off upon completion.

(52) Contractor to provide chemical treatment and clearance by certified pest control company. Make all repairs per recommendations.

% complete	Payment	Init.	% complete	Payment	Init.	Paid to date	Balance Due	Ret. 15%
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**PROJECT TOTAL**

**\$320,430**