



STAFF REPORT
7/26/2023

TO: Honorable Mayor and City Council Members

FROM: William B. Pattison, Finance Director

SUBJECT:

1. Authorize the Awarded Affordable Housing Sustainable Communities (AHSC) Grant Funds that were Originally Intended to be Reimbursed to the City for the Land Acquisition Costs of the Transit Hub Site to be Used for the Construction of the Transit Hub; and
2. Appropriate \$497,556 from General Fund Reserves to fund the shortfall for the Transit Hub Project

STAFF RECOMMENDATION:

Staff recommends that the City Council consider:

1. Authorizing the Awarded Affordable Housing Sustainable Communities (AHSC) Grant Funds that were Originally Intended to be Reimbursed to the City for the Land Acquisition Costs of the Transit Hub Site to be Used for the Construction of the Transit Hub; and
2. Appropriate \$497,556 from General Fund Reserves to fund the shortfall for the Transit Hub project

BACKGROUND:

In 2019, the City of Coachella along with its project partners, Chelsea Investment Corporation and Sunline Transit Agency, received a funding award from the California Strategic Growth Council under the Affordable Housing Sustainable Communities (AHSC) program to build affordable housing, a transit hub, implement a rideshare program, increase headways with zero emission buses, and install street improvements. The award amount was \$14,865,407 and the specific breakdown was per the AHSC Standard Agreement:

BACKGROUND: (continued...)

Payee Name	Amount	Activity
City of Coachella	\$1,856,500 ¹	Street Improvements + 15 Tesla Vehicle Purchase
Sunline Transit Agency	\$2,800,000 ¹	Purchase 4 Zero Emission Buses
Sunline Transit Agency	\$1,813,500 ²	Construct Transit Hub
City of Coachella	\$30,000 ³	Program Cost (SCAG Go Human Campaign)
Chelsea Investment Corp.	\$8,395,407	Housing Loan to Build Pueblo Viejo Villas

¹ STI Sustainable Transit Infrastructure

² TRA Transit Related Amenities

³ PGM Transportation Collaboration Programs

Amongst the many items the AHSC application requested, five hundred thousand (\$500,000) dollars were requested to cover land acquisition costs for the Transit Hub site. The funding allocation had to be placed under the Transit Related Amenities (TRA) budget, which was assigned to Sunline Transit Agency as they were the Public Transportation partner responsible for implementing the construction of the new Transit Hub. The City agreed to purchase the property and obtain the necessary right-of-way for the construction of the Transit Hub and paid \$696,999.26 for the land and \$5,450.00 for appraisal services, for a total of \$702,449.26. Then, on April 7, 2021 Sunline Transit Agency entered into a Sub-Recipient Agreement with the City of Coachella in which Sunline Transit Agency agreed to the provision of Reimbursing the City of Coachella for Acquisition Costs in an amount not-to-exceed \$500,000 dollars. The agreement also indicated that Sunline Transit Agency would submit a draw down or reimbursement request to the California Department of Housing and Community Development (HCD) for the costs associated with the land acquisition of the Transit Hub site and then reimburse the City of Coachella for the \$500,000 dollars it spent on land acquisition costs. In conversations with Sunline Transit staff they understood that the amount available to build the transit center was \$1,813,500. That did not consider the reimbursement to the City for the land purchase. Sunline has committed to contributing \$400,000 to the project.

DISCUSSION/ANALYSIS:

Sunline received three bids to construct the Transit Hub. The apparent and most responsive low bidder is Three Peaks Corporation. Their base bid came in at \$1,784,871 with four alternate bid options. Sunline Transit Agency chose Bid Alternate 2 in the amount of \$47,386 which will remove the chain link fence around the retention basin and replace it with a black metal ornamental picket fence. They also selected part of Bid Alternate B in the amount of \$25,800 to install 5 date palm trees and site tree lighting, bringing the Construction Contract amount total to \$1,858,057. Construction contingency is in the amount of \$168,500. Sunline has agreed to cover the Architect-Engineer Services cost in the amount of \$137,000 and the Project Management costs in the amount of \$50,000.

DISCUSSION/ANALYSIS: (continued...)

Contractor (Three Peaks Corp.)	\$1,784,870
Bid Alternate 2	\$47,386
Bid Alternate B	\$25,800
Contingency + Misc.	\$168,500
Project Design and Mgmt. (Heptagon 7)	\$187,000
Subtotal	\$2,211,056
City's Contribution	(\$497,556)
Sunline Contribution	(\$400,000)
New Total	\$1,313,500
Original Contractor Budget	(\$1,313,500)
Shortfall	\$0

FISCAL IMPACT

General fund reserves in the amount of \$497,556 are recommended to fund the shortfall for the Transit Hub project. This appropriation is required due to the City contributing its reimbursement to the project.

ATTACHMENTS:

1. Sub-Recipient Agreement
2. AHSC Standard Agreement