

REPORT TO REDEVELOPMENT AGENCY

DATE: FEBRUARY 23, 2011

TO: HONORABLE CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY

FROM: GREG RAMIREZ, EXECUTIVE DIRECTOR

BY: NATHAN HAMBURGER, ASSISTANT EXECUTIVE DIRECTOR

SUBJECT: REQUEST FOR APPROPRIATION FROM THE HOUSING SET-ASIDE FUND AND AUTHORIZATION TO PURCHASE EXCESS SOIL FROM S.C. ANDERSON, INC.

The purpose of this report is to receive authorization to purchase excess non-expansive soil material from the Las Virgenes Unified School District construction sites at Agoura and Calabasas High Schools. These two construction projects have had to deal with expansive soil, which is prevalent throughout this region. Due to the fact that the Redevelopment Agency is expected to begin the construction of affordable homes in the future and the proximity to the potential construction sites, make this an opportune time to acquire the soil.

Based on the soils reports received by the Agency's Geotechnical consultant, Cotton, Shires, and Associates, Inc., the two potential construction sites both have signs of artificial fill, which would mean dealing with highly expansive soil issues. The replacement of a portion of the existing soil with non-expansive soils will mitigate the existing conditions combined with the usage of other acceptable foundation formations. Redevelopment Agency staff and several consultants have reviewed this issue and are satisfied with the recommended mitigation measures that would replace the upper five feet of the proposed pads with non-expansive soil and utilize a post-tensioned slab. This standard is higher than what is normally accepted for commercial construction projects within the City but is recommended to insure that the Agency limits potential liability exposure. In this regard, there are two indices that are calculated in the industry to determine the expansive characteristics of a soil sample: (1) the Plasticity Index (PI), and (2) the Expansion Index (EI). Clays, which are classified as soils having the highest expansion potential, have PI's greater than 50. The silty-sandy soil the City is purchasing has PI values ranging from 1 to 4, making it highly non-expansive. In addition, the American Society of Testing Materials (ASTM) has set forth the following EI ranges to determine a soil's expansion potential: (1) 0-20: Very Low; 21-50: Low; 51-90: Medium; 91-130: High; >130: Very High. Again, the soil's highly non-expansive characteristic can be seen by its EI range of 3 to 8. Thus, this material fits the non-expansive criteria to the highest measure of quality and is readily available by mere circumstance through the two aforementioned construction sites.

The availability of the non-expansive soil and the fact that it would have had to have been hauled off and disposed of at another location, provides the Agency with a cost savings measure and the

opportunity to insure that this type of material can be obtained when the Agency is prepared to begin construction at either of the proposed locations. At the Agency's Geotechnical consultant's recommendation, staff inquired about the excess soil and also looked at whether or not such material could be acquired and at market rate prices. It was discovered that this type of soil might be difficult to obtain in the future as it's availability is largely dependent on the construction industry in certain areas that have non-expansive soils and that if it was not available locally that transport costs could be fairly large due to the distance and the number of truck trips required to obtain the material. Thus, the acquisition of the excess soil from the LVUSD constructions sites at \$15 per cubic yard instead of the \$23-\$25 per cubic yard that was quoted, offered a costs savings for the Agency. There are 4,514 cubic yards of non-expansive soil available, and it was estimated by the Agency's Geological consultant that less than 5,000 cubic yards of this type of soil would be required for the proposed development. The opportunity to acquire the soil now would save the Agency approximately \$45,000. The importance of this cost savings is that it helps control construction prices, which is vital in affordable housing developments and also allows the Redevelopment Agency to further extend the funding available to accomplish the mandated housing. The soil has been properly stockpiled on the back end of Agoura High School at the proposed site of the Fountain Place Villas.

The agreement for the purchase of the soil will be with S.C. Anderson, Inc., as they are the responsible entity for the transporting of the soil and would have otherwise had to haul the dirt to an offsite location.

Funding for this transaction will come entirely from the Housing Set-Aside Fund (Fund 410) as it is related to the proposed construction of affordable homes and has no direct effect on the City's General Fund. An appropriation from the Housing Set-Aside Fund is necessary, along with the authorization for the Executive Director to purchase the soil, in the amount of \$67,710.

Should the Redevelopment Agency choose not to move forward with any affordable housing development, the soil could be utilized on a number of other capital projects, specifically work on local streets where the underlying soil is expansive and will be replaced during repairs. If this were to occur, the funding source could be adjusted to reimburse the Housing Set-Aside Fund for the expenditure.

RECOMMENDATION

It is recommended the Redevelopment Agency authorize the appropriation of \$67,710 from the Housing Set-Aside Fund and authorize the Executive Director to purchase excess soil from S.C. Anderson, Inc., in the said amount.