



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Kim Welsh
Matt Cano
Jacky Morales-Ferrand

SUBJECT: AFRICAN AMERICAN COMMUNITY
SERVICE AGENCY INFRASTRUCTURE
IMPROVEMENT PLAN

DATE: May 17, 2018

Approved

D. D. S. L.

Date

5/18/18

BACKGROUND

The Mayor's March Budget Message for Fiscal Year 2018-2019, as approved by the City Council, directed the Administration to work with African American Community Service Agency (AACSA) to identify and prioritize capital improvement upgrades that are required to make sure the building is up to code, setting aside \$250,000 for these improvements, and return through the budget process with a proposed scope of work. The work should prioritize the capital improvements necessary, in conjunction with existing funding and matching funding, to help AACSA become a First 5 Center and a Meals Center for the City. Additionally, the Administration was directed to perform a preliminary analysis for long-term, mixed-use redevelopment of the site that includes space for AACSA provided community services and housing, leveraging private dollars to deliver public benefit. The 2018-2019 Proposed Budget sets aside the \$250,000 as directed. This memorandum provides the scope of work for this funding and briefly outlines the potential for redevelopment opportunities in the long-term.

The AACSA is located at the corner of 6th Street and Julian Street and is more commonly known as 304 N. 6th Street, San Jose. The building in which they reside was the former Fire Station 2 consisting of a two story structure of approximately 8,433 square feet and a land area of approximately 19,457 square feet. Fire Station 2 was relocated in September 1977 and the building became vacant and available for an alternative use.

In April 1978, a lease agreement was executed between the City of San José and the AACSA. Subsequent to the expiration of the original lease in 1983, there have been numerous extensions and new lease agreements executed between the City and AACSA. AACSA is currently in a 'holdover' status since the most recent lease has expired, but AACSA can continue to occupy the building under the same terms and conditions of the expired lease. A new lease agreement is in the process of being developed outlining the services that are planned to be provided at the facility.

ANALYSIS

Scope of Work for Capital Improvements

The former fire station that AACSA occupies is outdated and needs upgrades in order to allow AACSA to continue to make a positive community impact by providing programs and services to youth, seniors, the homeless, and, in particular, to becoming a First 5 Center and a Homeless Services and Meals Center. The building currently experiences functional, economic, and physical obsolescence. Based upon the extent and cost of the upgrades, staff is recommending that the focus for the 2018-2019 fiscal year be on activities that are considered safety related and that yield the highest return on the City's investment.

Staff met with AACSA and First 5 Center representatives to identify the capital improvements necessary to bring the facility up to code to support AACSA programs, including First 5 and Homeless Services and Meals Center programs. For 2018-2019, work will be on the highest priority items that include the following in priority sequence:

- 1) Evaluating and completing electrical upgrades required by code;
- 2) Rebuilding the ADA ramp at the rear of the building;
- 3) Replacement of an outdated hot water heater;
- 4) Addressing any asbestos abatement that may be needed when completing the electrical upgrades, hot water heater replacement, and other construction or remodel work; and
- 5) Replacement of two exterior doors.

The goal is to have all five activities completed by end of the 2018 calendar year with an overall budget not to exceed \$250,000.

Long-Term Options

As noted previously, the 304 N. 6th Street facility is approximately 67 years old and currently experiences functional, economic, and physical obsolescence. Even with the above recommended work, the facility still requires significant upgrades to the building systems which may not be cost effective in the long-term given the age, condition, and configuration of the building.

As urban in-fill development increases density, it is possible to reuse sites like the one at 304 N. 6th Street to achieve greater densities, and a mix of uses consistent with the City's General Plan. In considering potential redevelopment scenarios, it may be possible to include affordable housing and student housing that helps to meet the goal of generating 10,000 affordable units by 2023. The site can be redeveloped to reincorporate new space for AACSA and the many services the organization provides. The Office of Economic Development and the Housing Department will collaborate to review potential models that will facilitate the reincorporation of AACSA in modernized space on the ground floor of the structure. The analysis will also identify opportunities for interim space for AACSA, allowing the organization to continue to provide

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services during construction of a new building. Staff anticipates returning to the City Council with this analysis by spring 2019.

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