

City of San Leandro
Civic Center, 835 E. 14th Street
San Leandro, California 94577
www.sanleandro.org



DECISION OF RENT REVIEW OFFICER

Re: Capital Replacement Temporary Rent Increase Application, Mission Bay Mobilehome Park

Brandenburg, Staedler & Moore -- Mission Bay, LP (the “Applicant”) submitted a Capital Replacement rent increase application (the “Application”) to the City of San Leandro (“City”) requesting a temporary rent increase of up to \$10.90 per Space per month to pay for the repair of 70 sections of a concrete masonry wall located at Mission Bay Mobilehome Park (the “Park”).¹ Upon review of the Application and related materials, the Rent Review Officer approves the Application for the reasons set forth herein.

BACKGROUND

On or about November 15, 2022, the Applicant submitted an application to the City for a temporary rent increase to pay for a Capital Replacement pursuant to the City’s Mobilehome Space Rent Stabilization Ordinance, San Leandro Municipal Code (“SLMC”) Chapter 4-39 (the “Ordinance”). Under the Ordinance, Mobilehome Park Owners may apply to the City’s Rent Review Officer for a temporary rent increase to pay for an “improvement required to maintain the common facilities and areas of the park in a decent, safe and sanitary condition or to maintain the existing level of park amenities and services.”² The Application sought a temporary rent increase to cover the cost of reinforcing and securing 70 sections of the sound wall along Santa Ynez (the “Sound Wall”).

On January 18, 2022, the Rent Review Officer sent a letter to the Applicant notifying it that the Application was preliminarily complete.³ Simultaneously, the Rent Review Officer notified in writing all Mobilehome Owners who would be affected by the proposed Rent Increase of the Application and advised that the complete Application was available for review. As provided by the Ordinance, the City informed affected Mobilehome Owners that they had forty-five (45) days, until February 4, 2022, to submit written support or opposition to the Application. At the conclusion of the 45 day period, the Rent Review Officer determined that individuals representing at least fifty percent (50%) plus one of the affected Mobilehome Spaces had submitted valid written protests to the Application. Accordingly, the Rent Review Officer took the Application under consideration pursuant to SLMC section 4-39-230(e)(2).

¹ Capitalized terms not defined herein shall have the same meaning as in the Ordinance.
² SLMC § 4-39-230, 4-39-105(f).
³ The determination of preliminary completeness was made pursuant to SLMC § 4-39-225(e). A final determination of completeness was made pursuant to SLMC § 4-39-230(e)(2) after the Affected Mobilehome Owners submitted a sufficient number of protests such that the Rent Review Officer became responsible for reviewing the merits of the Application.

Pauline Russo Cutter, Mayor _____
City Council: Victor Aguilar, Jr. Bryan Azevedo Peter Ballew
Deborah Cox Corina N. López Fred Simon



As part of the Review of the Application, the Rent Review Officer visited the Park to inspect the Sound Wall. The Rent Review Officer was accompanied on this inspection by Michael Jeffery, the Chief Building Official (“CBO”) of the City of San Leandro. The CBO is the designated authority for administration and enforcement of State and local codes and regulations for all buildings and structures in San Leandro, and is a qualified expert on such issues. Following the inspection, the Rent Review Officer sent a number of written questions to the Applicant’s representative, who responded in writing.⁴ The Rent Review Officer also considered a response to the Application submitted by the Mission Bay Residents Association (“MBRA”) on behalf of the affected Mobilehome Owners.

The Application is seeking a temporary rent increase to pay for the repair of 70 sections of the Sound Wall. The Applications included two quotes that estimated the cost of the project to be between \$325,000 and \$504,000, with possible additional costs if portions of the Sound Wall fall during construction. The Application specified that the cost of the proposed Capital Replacement would be amortized over 15 years, with the rate of interest allowed by the Ordinance. As set forth in the Application, the proposed Rent increase of each Mobilehome Space in the Park would be between \$7.03 and \$10.90 per month per Mobilehome Space in the Park, for 15 years.⁵

DISCUSSION

A. Standards for Review

The Ordinance establishes a comprehensive scheme for regulating the amount of space rent charged in Mobilehome Parks in the City. The foundation of the Ordinance is a limit on the amount Mobilehome Owners can increase space rent annually. The Ordinance provides several ways for Rent to be increased or decreased above the amount otherwise allowed under the Ordinance. As relevant here, Park Owners may apply for a temporary Rent increase in order to pay for the Cost of a Capital Replacement.⁶ The Ordinance defines a “Capital Replacement” to be:

“[A]n improvement required to maintain the common facilities and areas of the park in a decent, safe and sanitary condition or to maintain the existing level of park amenities and services. A Capital Replacement is an expenditure as defined by the United States Internal Revenue Code that replaces, upgrades or repairs an existing improvement, such as, but not limited to, an on-site water or electrical distribution or sewage collection system, a street, a parking area, or common facility, such as a laundry, community kitchen or meeting room. If the expenditure qualifies for treatment as a capital expenditure which must be depreciated under the Internal Revenue Code, it is a Capital Replacement. If it can be fully deducted in one year as a business expense, it does not qualify as a Capital Replacement.”⁷

⁴ A copy of the email containing the Rent Review Officer’s questions and the Applicant’s responses is attached as Exhibit A.

⁵ The materials submitted with the Application included information regarding repairs to the pool and spa. The Applicant subsequently notified the Rent Review Officer that it was not seeking a Capital Replacement rent increase for such costs and, thereafter, the Rent Review Officer similarly notified the affected Mobilehome Owners.

⁶ SLMC § 4-39-225(a)(2), 4-39-230(e)

⁷ SLMC § 4-39-105(f).

The Applicant “shall be permitted to obtain a temporary Rent Increase” to pay for Capital Replacement if the Application includes information establishing:

1. A description and cost of the proposed project, with at least two (2) bids;
2. That project is necessary at the time the Park Owner seeks to implement it;
3. The date(s) when the proposed project will occur;
4. The manner by which the Park Owner will notify the City of the start of the Project to allow the City to monitor the project;
5. The period of time during which the Park Owner proposes to amortize the Rent Increase;
6. That the Project will be made at a direct cost of less than \$100 per affected Mobilehome Space per month;⁸
7. Calculation of costs amortized over a period of not less than thirty-six (36) months;
8. That the cost does not include any additional costs incurred for property damage or deterioration that resulted from any unreasonable delay in undertaking or completing any repair or improvement;
9. That the costs do not include costs incurred to bring the Park into compliance with a provision of the San Leandro Municipal Code or State law where the original installation of the improvement was not in compliance with code requirements;
10. A representation by the Park Owner that the temporary rent increase will terminate at the end of the amortization period; and
11. Evidence that the amortization period is in conformance with any schedule adopted by the City Council, unless it is determined that an alternate period is justified.⁹

B. Capital Replacement Application

After careful review of the Application, and the limitations on the Rent Review Officer’s discretion contained in the Ordinance, the Rent Review Officer has determined that the Applicant has satisfied its burden, and the Application is approved as specified herein. The Ordinance’s criteria for approving an application for a Capital Replacement rent increase are specified above. The Application clearly

⁸ The Ordinance does not explicitly specify whether this limit applies monthly, annually, or over the lifetime of the temporary rent increase. The Rent Review Officer interprets this amount to be a monthly limit, which is consistent with the how the City has handled previous Capital Replacement Applications. Interpreting this amount as an absolute limit would be inconsistent with the purpose of the Capital Replacement process, which is to reimburse the cost of large projects that depreciate over multiple years. Interpreting this amount as a monthly limit is also consistent with how the Ordinance addresses Rent generally, which is on a monthly basis. No portion of the Ordinance refers to the amount of Rent on an annual or long term basis.

⁹ See SLMC § 4-39-230(d). The Applicant bears the burden of proof, by a preponderance of the evidence, on all issues necessary to approve the Application. SLMC § 4-39-225(n).

satisfies many of these criteria, and therefore there is no need to discuss them further in this decision. However, several of the criteria are addressed in further detail below.

1. *Repair of the Sound Wall Qualifies as a Necessary Capital Replacement*

The Application states that in order to ensure the stability of the wall, 70 sections of the Sound Wall must be secured by installing C Channel beams with new pier supports and footings. MBRA claims that the project does not qualify as a “Capital Replacement” because: i) the project is a repair, and ii) the project will not add value to the Park’s residents. However, the proposed project clearly qualifies as a Capital Replacement under the Ordinance.

First, the Ordinance explicitly defines a Capital Replacement as an expenditure “that replaces, upgrades or *repairs* an existing improvement”.¹⁰ The fact that the proposed project will make substantial repairs, rather than tear down and replace the entire Sound Wall, does not mean the proposed project is not a Capital Replacement. While minor repairs that can be fully deducted in one year as a business expense do not qualify as a Capital Replacement, repairs that qualify as capital expenditures that must be depreciated under IRS regulations are Capital Replacements.¹¹ The Applicant has submitted a letter from a certified public accounting firm that the proposed project will qualify as a capital expenditure under IRS regulations. No contrary evidence regarding the application of IRS regulation is in the record.

Second, the Ordinance is clear that a Capital Replacement is a cost to “maintain” the existing facilities in the Park, and not to create new facilities or improvements for Park residents as MBRA argues. A project to install new improvements and facilities is defined by the Ordinance as a “Capital Improvement” and is subject to a different approval process. Furthermore, a repair that extends the life of an existing facility is a benefit to current residents of the Park, since without the repair, the facility would be eliminated sooner, which would negatively impact residents. For these reasons, the proposed project to significantly repair the Sound Wall qualifies as a Capital Replacement.

The proposed project is also necessary. The Applicant reports that the wall is leaning in many locations and may fail if left in its current condition. MBRA argues that because a third party engineering analysis was not provided, there is no evidence that the project is necessary. While the Application includes structural calculations from a registered professional engineer, it is not clear that these calculations establish that the current wall is unsafe as opposed to establishing that the proposed project will comply with current codes and standards. However, nothing in the Ordinance requires that an engineer’s report be submitted; the only requirement is that the Capital Replacement be necessary.

In order to determine whether the Applicant’s statements were accurate, the Rent Review Officer visited the site with the CBO.¹² The CBO is the designated authority for administration and enforcement of State and local codes and regulations for all buildings and structures, and is a qualified expert to determine whether the Sound Wall must be repaired. The inspection revealed

¹⁰ SLMC § 4-39-105(f).

¹¹ *Id.*

¹² The Rent Review Officer is allowed to retain experts to assist with reviewing the Application, and the CBO is a qualified expert in the relevant field. SLMC § 4-39-105(g)

that the Sound Wall has a substantial lean in places and there are vertical cracks in the wall due to the stress caused by the leaning. After completing the inspection, the CBO concluded that the Sound Wall was at risk of eventual collapse if the repairs were not made.¹³

For these reasons, the proposed project to repair of the Sound Wall qualifies as a necessary Capital Replacement.

2. *The Project does not Include Costs Resulting from Unreasonable Delay in Completing Any Repair.*

Under the Ordinance, if the proposed Capital Replacement is necessary now because the Park Owner previously failed to maintain or repair the facility, the Park Owner may not raise Rent to cover the cost of the Capital Replacement. Here, the proposed project to repair the Sound Wall is not due to the Applicant's delay in, or failure to, complete any necessary repairs or maintenance.

In response to a question from the Rent Review Officer, the Applicant stated that it first discovered the wall was leaning sometime after March 2020.¹⁴ The Applicant reports obtaining bids (after completing necessary engineering work) by the end of 2020, and thereafter beginning the process to consult with the Park's residents regarding the proposed project. The Applicant also reports that it has routinely maintained the wall since 1971. In its response to the Application, MBRA does not allege that the proposed project is necessary due to the Applicant's failure to perform any necessary repairs or maintenance in the past. Additionally, the CBO orally informed the Rent Review Officer that nothing in his inspection of the Sound Wall led the CBO to believe that the current condition of the wall was the result of any past negligence by the Applicant. There is nothing in the record that contradicts the Applicant's representations regarding when the Sound Wall's lean was discovered or its performance of past maintenance.

3. *The Project is not necessary to bring the wall into Compliance with Applicable Codes*

If the proposed repairs are necessary to bring the Sound Wall into compliance with the applicable building codes in effect at the time the Sound Wall was installed in 1971, the Applicant may not raise Rent to cover the cost of the proposed Capital Replacement. The Department of Housing and Community Development ("HCD") is responsible for enforcing building codes in mobile home parks in San Leandro. HCD conducts periodic inspections to ensure Mobilehome Parks are in compliance with applicable health and safety laws.¹⁵ The Applicant reports that it has never been instructed by HCD, or any other governmental agency to replace the wall. It is reasonable to assume that if a large concrete masonry wall was constructed without obtaining the required permits, HCD would have identified that as a violation at some point in the last 50 years during the course of its periodic inspections.

¹³ See Memorandum of CBO, attached hereto as Exhibit B. The CBO actually opined that more extensive repairs to the wall may be appropriate. However, that is not a basis for denying the Application under the criteria established by the Ordinance.

¹⁴ See Exhibit A.

¹⁵ Health and Safety Code 18400.1

MBRA states in its response that it has contacted HCD to determine whether HCD permitted the wall in 1971, but does not claim that wall was not permitted or provide any information contrary to the Applicant's representation. Since the Applicant's representation, made under penalty of perjury, is the only evidence in the record on this issue, the Applicant provided the minimum necessary to meet its burden on this issue by a preponderance of the evidence. Accordingly, the Rent Review Officer finds that the proposed project is not necessary to bring the wall into compliance with the applicable codes existing when the wall was installed in 1971.

4. *Industry "Best Practices" are Not Relevant.*

MBRA dedicates most of its response to the Application to argue that allowing Park Owners to recover the cost of Capital Replacements is inconsistent with industry "best practices". According to MBRA, the standard industry practice is for landlords to pay for repairs from a capital reserve. Specifically, MBRA says that "The Mobilehome Space Rent Stabilization Ordinance as written flies in the face of real estate best practices by allowing Landlord passthroughs of repairs and capital replacements to its Tenants." Even assuming MBRA's representation regarding best practices is correct, MBRA's argument is without merit.

Whether allowing a Park Owner to recover the cost of a Capital Replacement is a best practice or not is irrelevant for the purpose of the Application. The Ordinance establishes the law regarding Rent increases for Mobilehome Parks in the City of San Leandro. The Rent Review Officer is obligated to follow the Ordinance, even if it is different than the industry "best practice".¹⁶ In the absence of the Ordinance, the Applicant would be free to annually raise the Rent at the Park by whatever amount it wanted. The Rent Review Officer is not able to pick and choose what parts of the Ordinance it thinks are appropriate or not. The Ordinance establishes a process for a Park Owner to obtain a temporary rent increase to pay for a Capital Replacement, and the Rent Review Officer must administer that process in accordance with the Ordinance.

The Applicant has met its burden under the Ordinance and is entitled to impose a temporary rent increase to recover the cost of the proposed project to substantially repair the Sound Wall.

C. Allowed Rent Increase

As discussed above, the Applicant is entitled to impose a temporary rent increase to recover the cost of the Capital Replacement Project. The Applicant has satisfied the minimum requirements of the Code by obtaining two bids for the work, and neither bid appears obviously deficient in any manner. One bid is for \$325,000 and the second bid is for \$504,000. Both bids include additional costs if any section of the wall falls over during the repair process and needs to be rebuilt. However, neither the bids nor the Application provide any information on how likely that is to occur or include any proposal on how such uncertain costs should be addressed in the Rent Review Officer's consideration of the Application, such as the inclusion of a contingency. For this reason, the Rent Review Officer will not incorporate any additional costs that arise during construction in this decision. In the event that the Applicant incurs costs for additional work that become necessary during the project, the

¹⁶ Where the Ordinance is ambiguous, an industry best practice may be relevant for interpreting the Ordinance. However, that is not the situation here, where the Ordinance clearly establishes temporary rent increased for capital replacements.

Applicant may seek an additional temporary rent increase for emergency Capital Replacements pursuant to SLMC section 4-39-230(h).

The two bids submitted by the Applicant vary significantly in total amount. Ideally, a third proposal would have been submitted by the Applicant to address this discrepancy. Unfortunately, nothing in the Ordinance mandates the Applicant submit a third bid, or authorizes the Rent Review Officer to require one. Additionally, the Ordinance provides no basis for the Rent Review Officer to decide that only a portion of the cost of a necessary Capital Replacement may be passed on to Mobilehome Owners.

The Rent Review Officer is aware that the bids for the proposed project were obtained by the Applicant a number of months ago. While the processing of the Application has taken some time, the processing was consistent with the time requirements contained in the Ordinance, which were known to the Applicant at the time it secured its bids and submitted the Application. The Applicant could have obtained bids that were held for an extended period of time, with such cost incorporated into the bid. Accordingly, the Applicant is responsible for any increase in the cost of performing the necessary project.

The Applicant has proposed to amortize the Capital Replacement cost over 15 years in accordance with IRS Publication 946, Appendix B. That is an appropriate length of time for amortization. Pursuant to SLMC section 4-39-105(k), the interest allowance on amortized expenses is average rate for a thirty (30) year fixed rate home mortgage, as published by Freddie Mac in its weekly Primary Mortgage Market Survey (“PMMS”), plus 2%. The interest rate is calculated “as of the date of the initial submission of the application.” Accordingly, this Applicant may not recover a higher interest rate even if rates have increased since the Application was submitted.¹⁷

DISPOSITION

For the reasons described herein, the Application to impose a temporary rent increase on all Spaces in the Park to pay for significant repairs to 70 sections of the Sound Wall is approved. The Application requests a temporary rent increase of \$10.90 per space, per month, for a maximum of 15 years. The Applicant may not impose an increase greater than such amount. The amount the Applicant recovers from this Rent increase may not exceed the actual costs the Applicant incurs to perform the work, and the Applicant shall keep complete and accurate records of such costs. The Applicant may not impose the Rent increase approved by this decision if the proposed project to repair 70 sections of the Sound Wall is not completed in its entirety. The Applicant shall notify the Rent Review Officer: 1) prior to the commencement of the construction project for the Capital Replacement, and 2) when the approved Rent increase goes into effect.

APPEAL

This decision may be appealed within thirty (30) days after the date of its mailing. An appeal by the Applicant shall be signed by the Park Owner or its lawfully authorized agent. An appeal by the

¹⁷ In the event that the Applicant’s actual costs to finance the Capital Replacement exceed the interest rate allowed by the Ordinance, the Applicant may submit an Application for a Fair Rent Increase and include that additional financing charges as an expense pursuant to SLMC section 4-39-220(c)(3)(i)(H).

Mobilehome Owners at the Park must be signed by Mobilehome Owners residing on twenty-five percent (25%) of the Mobilehome Spaces that are subject to the decision. An appeal must be in writing and must be delivered to the opposing parties and the City within the thirty (30)-day appeal period. If the Rent Review Officer's decision is not timely appealed, the Rent Review Officer's decision shall become final on the thirty-first (31st) day after the decision is mailed. ¹⁸

By: Tom Liao
Tom Liao, Rent Review Officer

Date: May 16, 2022

Attachments Included

¹⁸ SLMC § 4-39-227(a).

Exhibit A

From: Ryan Jasinsky <ryan@bsm-group.com>

Sent: Monday, April 4, 2022 8:06 AM

To: Liao, Thomas <TLiao@sanleandro.org>

Subject: RE: follow-up questions for mission bay capital replacement application

Hi Tom,

Thank you for the clarification. I have answered your questions below.

1. When did BSM become aware of the wall leaning or becoming weakened?
 - a. It is difficult to pin point an exact date, but it was after the pandemic and corresponding lock downs began in March 2020. We moved promptly to obtain the construction bid, which required subsequent engineering work that was completed near the end of 2020. Thereafter, in order to comply with the Ordinance, we noticed a physical meeting with the residents as soon as reasonable possible under the pandemic restrictions and protocols. The application was submitted promptly and without delay.

2. Has there been an engineering study or professional inspection of the wall in the last 15 years? If yes, please send that to me for review.
 - a. Yes, that was provided with our application. Please let us know if you need another copy. I believe submission of this report is in excess of the what is required under the

Ordinance.

3. Has there been any maintenance work on the wall in the last 15 years? If yes, please briefly describe.
 - a. Yes. As was explained to you and Mike during the site walk, we have regularly maintained the wall since its construction in 1971.
4. Has BSM had an estimate done to demolish the existing wall and rebuild a new one?
 - a. No.
5. If change orders are necessary during construction, how will BSM pay for those costs?
 - a. We have no information that suggests change orders are expected. However, hypothetically speaking, if one or more change orders are necessary, BS&M will pay the cost of those change orders it approves. After which, we will submit those supplemental costs and supporting documentation to the Rent Review Officer for approval as part of the passthrough and prior to implementation. We can provide those to you as they occur or all together with our Notice of Completion. Please let us know the City's preference. As you know, the Ordinance provides guidance on this issue:

[4-39-105] Definitions. G. "Capital Replacement Costs" means all costs reasonably and necessarily related to the planning, engineering and construction of Capital Replacement and shall include debt service costs, if any, incurred as a direct result of the Capital Replacement. Capital 2 Replacement does not include Capital Improvement Costs.

[4-39-230] Temporary Rent Increases for Specified Capital Improvements and Capital Replacements. G. No temporary Rent Increase granted pursuant to this Section shall become effective until the first full calendar month following the filing by the Park Owner of a notice of completion of the Capital Improvement or Capital Replacement project with the Rent Review Officer, and determination by the City that the work was completed in accordance with the Rent Increase approval. A Rent Increase approved pursuant to this Section shall be itemized separately on the rental billing provided to the Affected Mobilehome Owners and shall terminate upon the conclusion of the approved amortization period.

As we have satisfied each requirement under the Ordinance for this capital replacement passthrough, we look forward to receiving the notice of completion and approval of our passthrough.

Sincerely,

Ryan Jasinsky
Director of Property Management
Brandenburg Staedler & Moore
Mobilehome Communities of America, Inc.

1122 Willow Street, Suite 200
San Jose, CA 95125
Main: 408-279-5200
Direct: 408-282-4114
Fax: 408-279-3614
E-mail: ryan@bsm-group.com
www.bsmcommunities.com

From: Liao, Thomas <TLiao@sanleandro.org>
Sent: Friday, April 1, 2022 6:45 PM
To: Ryan Jasinsky <ryan@bsm-group.com>
Subject: RE: follow-up questions for mission bay capital replacement application

Hi Ryan,

Thank you for your reply. I am requesting this information before I determine that the application is complete. I do not anticipate asking for any additional information, but it is possible that I may have additional questions or request additional information based on your initial responses. Applications for a temporary rent increase for a capital replacement are required to include “evidence establishing that the project is necessary at the time the Park Owner seeks to implement it”, as well as “Evidence that the costs do not include any additional costs incurred for property damage or deterioration that result or have resulted from any unreasonable delay in undertaking or completing any repair or improvement.” (SLMC 4-39-230(d)(2)(8)). The questions I asked are to help evaluate whether these requirements have been met, but will not be the only information I use to make that determination. For example, an engineering study might confirm the work is necessary, but is not the only way to confirm that fact.

Let me know if you have any other questions.

Thanks, Tom

Tom Liao, Community Development Director
City of San Leandro Community Development Dept.
835 East 14th St.
San Leandro, CA 94577
510-577-6003 (office)
e-mail: tliao@sanleandro.org
www.sanleandro.org

From: Ryan Jasinsky <ryan@bsm-group.com>
Sent: Thursday, March 31, 2022 4:14 PM
To: Liao, Thomas <TLiao@sanleandro.org>
Subject: RE: follow-up questions for mission bay capital replacement application

Hi Tom,

Sorry for the delay and thank you for your email. I'd like to better understand the nature of the City's request, particularly given the substantial information submitted with the application, as well as that provided during our onsite meeting with the City's Chief Building Official, Mike Jeffrey on Wednesday, March 16th. I would appreciate answers to the following questions.

- Is it the City's position that we must answer the questions below to have our application deemed complete under Section 4-39-230.E.2 of the Ordinance? Will there be other information required from the City to have our application deemed complete? If so, please provide that information so that we can have a clear expectation of the City's requirements.
- To understand the basis for each question in your email, on what section of the Ordinance does the City rely on requesting the additional information? Or, in other words, under what section of the Ordinance is each category of requested information relevant?

Once we have answers to these questions, we can better evaluate both the need to respond and what information should be provided to satisfy the City. Thank you and we look forward to your response.

Sincerely,

Ryan Jasinsky

Director of Property Management

Brandenburg Staedler & Moore

Mobilehome Communities of America, Inc.

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Fax: 408-279-3614

E-mail: ryan@bsm-group.com

www.bsmcommunities.com

From: Liao, Thomas <TLiao@sanleandro.org>

Sent: Thursday, March 31, 2022 2:57 PM

To: Ryan Jasinsky <ryan@bsm-group.com>

Subject: RE: follow-up questions for mission bay capital replacement application

Hi Ryan

I was just checking in to see if I could receive your responses to the follow-up questions below.

Thanks much, Tom

Tom Liao, Community Development Director

City of San Leandro Community Development Dept.

835 East 14th St.

San Leandro, CA 94577
510-577-6003 (office)
e-mail: tliao@sanleandro.org
www.sanleandro.org

From: Liao, Thomas
Sent: Friday, March 25, 2022 1:25 PM
To: Ryan Jasinsky <ryan@bsm-group.com>
Subject: follow-up questions for mission bay capital replacement application

Hi Ryan

Below are some follow-up questions I have as I am reviewing BSM's capital replacement application. Please note that the answers you provide will be shared with the MBRA for transparency, just I have shared their public comments with BSM.

1. When did BSM become aware of the wall leaning or becoming weakened?
2. Has there been an engineering study or professional inspection of the wall in the last 15 years? If yes, please send that to me for review.
3. Has there been any maintenance work on the wall in the last 15 years? If yes, please briefly describe.
4. Has BSM had an estimate done to demolish the existing wall and rebuild a new one?
5. If change orders are necessary during construction, how will BSM pay for those costs?

Thanks,
Tom Liao, Community Development Director
City of San Leandro Community Development Dept.
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e-mail: tliao@sanleandro.org
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MEMORANDUM
CITY OF SAN LEANDRO
CD/Building & Safety Division
835 E.14th Street
San Leandro, CA 94577
(510) 577 – 3405
Email: mjeffery@sanleandro.org
www.sanleandro.org

Date: March 28, 2022

TO: Tom Liao, Community Development Director

FROM: Michael Jeffery, Chief Building Official

RE: Mission Bay Mobile Home Park / Sound wall repair.



Hi Tom,

Per our site visit on March 16, 2022, with Mission Bay Mobile Home Park representatives, here are my observations...

The visual appearance of the 1200' feet of sound wall in question...

- From midway, the sound wall has a slight lean, progressing to a substantial lean to the point of eventual collapse if not addressed.
- Over half of the pilasters exhibit vertical cracks telling me of existing stresses due to the CMU (concrete masonry unit) panels leaning.
- Annual visual inspections may have led to an earlier, less costly repair.

Regarding the two proposals....

- I would suggest a third proposal, the two proposals are too far apart.
- I would also suggest alternate proposals from Perez & Perez, RQS, and a third contractor to explore complete replacement with a precast panelized sound wall.
- My main concern is based on the vertical pilaster cracking throughout, and the disturbance of the planned repair is prime for change orders. The provisions for complete replacement of the 14'-4" sections in both proposals (they already assume three sections) will rise.