



Legislation Text

File #: 060046., Version: 2

Additional Funding for Model Block House on 418 Northwest 4th Avenue (B)

The CRA acquired this structure as part of the Model Block project and is now ready to begin rehabilitation and prepare for the sale of the property for homeownership. The property is a contributing structure to the Pleasant Street Historic District, which was listed in the National Register of Historic Places in 1989. The building is currently dilapidated and vacant. The living area of 1,257 square feet consists of a series of small rooms, most without closets, no living room or dining room, and no functional kitchen or bathroom. After rehabilitation, the historic footprint will be maintained at 1,257 square feet and contain three bedrooms, one bathroom, a living room, dining room, and a kitchen. The property will be rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation, which describes appropriate guidelines for rehabilitation projects located in historic districts. Although the interior of the building will be modernized, historically appropriate and original materials will be used, when possible, to renovate the structure to increase its value.

Staff previously negotiated a price of \$146,851 with Carter Construction for the rehab of this property. Carter Construction is a contractor who has done considerable work with the Housing Division and is experienced with this type work. Carter Construction will be completing Site B prior to beginning work on this project. The CRA will borrow from the National Trust for Historic Preservation Inner City Venture Fund line of credit for part of the construction cost and fund the balance of the project plus the 10% contingency from the bond funds it borrowed from the City for the Model Block project.

However, following additional review of the project by the contractor, the initial bid amount has been determined to be inadequate when taking into account costs of moving the house to set the footings, rising construction costs, and termite repairs. Staff and architect Jay Reeves have worked with the contractor to value engineer the project, including changing the structure from gas to electric appliances for further cost savings. This estimate reflects the cost of rehabilitating a home in a seriously deteriorated condition. Staff has negotiated a revised cost of \$197,452, plus a 10% contingency, which includes the cost of an additional half bath. CRA Staff and consultants advise including the half bath in order for the house to appraise sufficiently to cover the rise in costs required to construct this home. The CRA could also elect to not include the cost of the half bath, which would reduce the price to \$193,952 for rehabilitating Site D of the Model Block project, located at 418 Northwest 4th Avenue.

The CRA has a \$300,000 line of credit established with the National Trust for Historic Preservation Inner City Venture Fund, and \$250,000 budgeted for the Model Block project.

Executive Director to the CRA: 1) authorize the Executive Director to execute a construction contract with Carter Construction in an amount not to exceed \$197,452, and also budget a 10% contingency in the amount of \$19,745.20 for change orders, if needed, and all necessary documents, certifications, or assurances required to rehabilitate the property; and 2) authorize the Executive Director to draw down funds for the National Trust for Historic Preservation Inner City Venture Fund line of credit for construction financing.