

<b>Meeting Date</b> (?)	05/24/2016
<b>Subject Matter</b> * (?)	Consideration of Bid and Tri-Party Agreement for Residential Reconstruction of 1012 Hall Street This must match rolling agenda entry
<b>Department of Origin</b> *	COMMUNITY DEVELOPMENT
<b>Submitted By</b> *	Eric Barton
<b>Type of Meeting</b> *	<input type="radio"/> BCD <input type="radio"/> Special <input checked="" type="radio"/> Regular
<b>Classification</b> *	<input type="radio"/> Public Hearing <input checked="" type="radio"/> Consent <input type="radio"/> Statutory <input type="radio"/> Regular
<b>Ordinance</b> *	<input checked="" type="radio"/> None <input type="radio"/> First Read <input type="radio"/> Second Read <input type="radio"/> First & Only Read
<b>Strategic Initiative</b> *	<input type="checkbox"/> Public Safety <input checked="" type="checkbox"/> Service <input type="checkbox"/> Economic Development <input type="checkbox"/> Infrastructure <input checked="" type="checkbox"/> Quality of Life
<b>Agenda Item Description</b> *	Consider approval and execution of a Tri-Party Agreement for demolition and reconstruction of a single family residential dwelling with handicap accessibility at 1012 Hall Street, Community Development (CD) project RFB #16-034, with the elderly homeowner household and project contractor, Quality Works Construction, in the amount of \$104,800.00, and a note with the homeowner household in the amount of \$106,863.32.

## Summary Statement \*

This project, RFB #16-034, is a part of the City of Bryan's Community Development Services Department Housing Assistance Major Rehabilitation/Reconstruction Program. Funds for this project are from the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) grant. The purpose of this program is to assist eligible low and moderate income property owner-occupants with rehabilitating and/or reconstructing their homes by eliminating housing code violations and acute maintenance issues that affect health, safety, sustainability, energy efficiency, and accessibility for special needs households.

Through the Major Rehabilitation/Reconstruction Program, the City helps to provide decent, safe and sanitary housing, promote a viable and sustainable housing stock, preserve property values, and eliminate blighting influences. The program's primary focus is to make necessary repairs and improvements to homes that, following rehabilitation, will contribute to serve as long term, structurally sound housing, rather than to repair houses that will remain unsustainable following the infusion of program funds. Programs and funding allocations are approved annually by the City Council in the action plan before submission to HUD. Applicants are selected based upon the date the application and all supporting documentation are received, contingent upon household income eligibility (80% or less of the Area Median Income), and sufficient income to repay the loan based upon qualifying ratios of 33% of income for the housing payment (Principal, Interest, Taxes, and Insurance), and 43% of income for the housing payment plus all consumer debt. Eligible applicants must be current on property taxes (or legally deferred), have no city liens, have a maximum of \$20,000 in liquid assets, participate in pre-construction housing counseling, and exhibit acceptable credit. If the household income is insufficient to repay the loan, the loan may be guaranteed by a family member with acceptable credit.

The household's existing dilapidated residential structure will be demolished because of the extent of deterioration, and a new home will be reconstructed on the same lot. The proposed new home is slightly larger than the existing dilapidated structure in order to accommodate handicap accessibility design elements. CD staff has qualified the elderly homeowner household at 1012 Hall Street as an eligible recipient of housing assistance through the program's current policies and procedures. The household eligibility, project feasibility, and cost analysis were thoroughly reviewed with the applicant household prior to determining the project's affordability and the household voluntarily authorizing CD staff to move forward with the project.

Housing Rehabilitation/Reconstruction Program funds in the amount of \$106,863.32 will be used for this project, which includes the demolition/construction bid amount of \$104,800.00 and project-related soft costs (title report, credit report, survey re-platting, filing fees, and building plans) of \$2,063.32 for which the homeowner is responsible. Funding assistance will be made through a thirty (30) year, zero percent (0%) interest repayment note for \$106,863.32. The qualifying homeowner was counseled on the financing terms and conditions, which is documented to the project file and copies provided to the homeowner for their reference.

The existing 816 square foot home has been deemed unfeasible to rehabilitate because of its age (built in mid-1940s as per BCAD), design, in-feasibility of installing handicap accessible design elements, the probability of lead-based paint remediation (estimated at 30% of rehab cost), foundation rot, water & termite damage, structural deflection & weakness, and failing mechanical systems. The replacement home will be a two-bedroom, one bath, approximately 1,166 heated square feet, and will include energy efficiency and sustainability features and handicap accessible elements in the design.

This project bid request (RFB #16-034) was made on 4/4/2016 and bids were received on 4/19/2016, with three (3) bidders responding. The two lowest responsive bidders have retracted their bids. The remaining bidder, Quality Works Construction, Inc. is the current remaining responsive bidder to this project bid. This bidder has also been qualified as an approved contractor by Community Development Services housing staff, and has successful performance in constructing City/federally funded projects.

**Staff Analysis & Recommendation \***

Community Development Services Department staff recommends the approval and execution of the Tri-Party Agreement for demolition of a substandard, deteriorated structure and reconstruction of a new single family residential dwelling located at 1012 Hall Street, project RFB #16-034, with the elderly homeowner household and project contractor, Quality Works Construction Inc., in the amount of \$104,800.00, and approval of a Note with the homeowner household in the amount of \$106,863.32. This project includes providing aging-in-place accessibility element features for the household member. Funds for this activity have been approved through the City's FY2016 budget process, the City's five-year Consolidated Plan, and the annual Consolidated Action Plan.

If approved, this eligible elderly homeowner household will receive financial assistance to perform necessary demolition and reconstruction activities, provide handicap accessible design elements for the homeowner household, contribute to the preservation of property values in the neighborhood, prevent blighting influences, and sustain the City of Bryan affordable housing stock. \$106,863.32 of HOME assistance will be repaid to the City by the homeowner, and will be available for future projects and program funding.

The existing home was constructed in the mid-1940s and is unfeasible to repair. The home exhibits foundation rot, water & termite damage, structural deflection & weakness, and failing mechanical systems. Based upon the age of the structure, costs related to compliance with lead based paint rules would also be incurred.

If not approved, the homeowner household must either find alternate means to finance the rehabilitation or replacement of the existing home or allow the home to continue to deteriorate in its current dilapidated condition, contributing to neighborhood blighting conditions.

**Options \***

(In Suggested Order of Staff Preference)

1. Approve agreement for demolition and reconstruction
2. Deny approval of agreement and provide direction to staff

**Funding Source \***

HOME funding as approved in the current FY2015/2016 Community Development Services Budget.

**Attachments**

1012 Hall St.pdf

1.62MB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

All attachments in 1 PDF

1. Bid Tabulation
2. Tri-Party Agreement / Deed of Trust / Real Estate Promissory Note
3. Pictures
4. Site Map

**Dept. Head Signature**



**Deputy City Manager Signature**



**City Manager Signature**



**City Attorney Signature**

