

Special Board Meeting
Jackson/Teton County Housing Authority
Teton County Old Library
320 S. King St.
Jackson, WY

April 23, 2019
10:00 AM



1. Call to Order
2. Pronouncement of Quorum
3. Public Comment
4. Melody Ranch Townhomes – Roof Failure
5. Adjourn



MEMO

TO: Jackson/Teton County Housing Authority Board
FROM: Stacy Stoker, Housing Manager
DATE: April 4, 2019
SUBJECT: Melody Ranch Townhomes

PURPOSE

The Melody Ranch Townhomes development is experiencing some issues related to the roofs on the units. The purpose of this item is to summarize the issue to-date and seek direction from the Council and Board with regard to what assistance, if any, the Housing Department and/or Housing Authority Board should provide the homeowners.

BACKGROUND

Melody Ranch Townhomes were constructed in 1996 and 1998 by No-Pro Housing LLC. They were developed as part of the mitigation required for the Melody Ranch PUD. Once the units were constructed, No-Pro Housing LLC was dissolved. The Housing Department has been told that three different construction firms were used to build the units.

All 24 units in the development had deed restrictions that sunset. Over time, the Teton County Housing Authority has been able to remove 8 of those sunset clauses, therefore restricting those units in perpetuity. 13 of the units have restrictions that sunset and are now free market units. 3 of the units have restrictions that have not yet sunset but will over the course of the next 3 years.

Affordable Units	8
Affordable Units w/ Sunset Clause	3
Are Market Units (restrictions have already sunset)	13

A few years ago, some of the owners started noticing issues with their roofs. The HOA provided funds to fix at least two roofs. According to the HOA, these fixes were emergency fixes that are only temporary. Around June 2018 homeowners began approaching the Housing Department to help them sort through the roof situation as it became evident to at least some of the homeowners that the problem was pervasive and much more serious than initially thought.

On June 6, 2018 Buchko Structural Engineering LLC performed an inspection on an exposed section of roof Structural Insulated Panels (SIP). The report provided to the HOA on June 14, 2018 states:

The observed roof conditions appear to result from improperly specified panels and/or poor construction methods. Improperly sealed joint allowing moisture migration, improper joint connections, and omitted diaphragm nailing are improper SIP construction methods. That the condition is less pronounced on the buildings with metal roofs is likely the result of the metal ridges providing some ventilation. It is

reasonable to expect that the roof was designed and constructed in a similar manner throughout the complex.

In the report, Buchko recommends that the roof panels be replaced with new panels or removed and replaced with a new system of conventional roof framing. The home Buchko inspected was listed for sale in 2018 for \$679,000 and eventually sold for \$545,000. This unit had a deed restriction that sunset (expired) in 2018 and was therefore a free market unit. It was the first unit in the neighborhood to sell as a free market unit.

The roof panel manufacturer, Insulpan, is out of business. The HOA insurance provider, Farm Bureau, was informed of the issue and advised the HOA that if the HOA makes a claim they will deny the claim as they do not cover faulty materials. Per the HOA, it was also stated by Farm Bureau that if the HOA makes a claim they will likely drop the HOA until the roof problem is fixed.

On July 2, 2018 the Teton County Attorney's Office sent the HOA a letter stating that the Housing Authority has no liability because it did not develop these units. The Housing Department's role pertaining to Melody Ranch Townhomes is to enforce the Occupancy and Use Restrictions, which includes ensuring compliance and facilitating sales and resales. The Housing Department has no authority over the HOA budget or the CCRs.

On July 11, 2018 Carrie Geraci, representing the HOA, came to speak to the Housing Authority Board asking for some assistance with the situation.

On August 20, 2018 the HOA held their annual meeting. The meeting minutes outline three options for the roof repair: 1) replace entire roof, 2) build a sub-structure over the existing roof, and 3) same as option 2, but only address the damaged areas of the roofs. The option costs range from \$25,000 to \$50,000 each. The meetings also state that the metal roofs "should be ok."

On September 14, 2018, another homeowner, Brian Modena, met with Housing Department staff. During this meeting staff reiterated that the department had no liability in the matter. The complicating factor we identified at this time was related to the HOA's ability to get financing with multiple valuations of units (market, soon to sunset, permanently deed restricted).

On October 11, 2018, the Modenas were selected in a weighted drawing for a Workforce restricted home. Based on previous discussions with the Modenas, Housing Department staff knew their current home had a roof in need of repair.

The Housing Rules and Regulations require owners to complete all maintenance/repairs needed on a home before the closing of a sale. So, if one of the townhome owners wished to sell her/his unit, s/he would be required to fix the roof. Because the townhomes are connected four to a building, the entire building's roof needs to be fixed for all four townhomes at once, which would make it very hard for any one homeowner to fix any one roof so that s/he can sell her/his home. In cases where there are incomplete maintenance/repair items on a home being sold, the Rules and Regulations require funds to be held from sales proceeds in escrow to cover the cost of the maintenance/repair. For an owner to close the sale of a home, the Housing Department would hold funds from the sales proceeds in escrow to pay for the roof repair. However, if there is not enough equity in the home to cover the entire cost, the owner would be required to provide the remaining amount needed to cover the cost of the repair from her/his own pocket.

On October 19, 2018 the Modenas received a cost estimate to fix the roof on their four-plex. The estimate they received was around \$500,000 to fix the four-plex roof. This estimate does not include architectural drawings or any contingency. Per the Modenas, they approached four contractors about the job and were told by each one that the job was not something the contractor would consider bidding on.

On October 24, 2018, the Modenas filed multiple exceptions:

- 1) An exception to the rule for submitting a request for exception prior to submitting an application for a new home.
- 2) An exception to the CPI increase of the home to increase the resale value of the home by the final cost to replace the roof on a per unit basis.
- 3) An exception to re-classify their deed restricted unit to go from a Category 2 to a Workforce housing unit or to allow their unit to sunset (and thus become a free market unit).

The Housing Manager denied these requests and the Modenas appealed to the Housing Authority Board. An appeal hearing was scheduled, but after more discussions, the appeal was dismissed without prejudice and a one-hour workshop with the HOA and Housing Authority Board was scheduled for December 18, 2018.

On November 1, 2018 the HOA received a letter from First Interstate Bank denying their request for financing to cover the cost of the roof repair, estimated at \$140,000 per unit. The letter states that the costs are too high, and the value of the deed restricted units does not benefit from the added investment.

On December 18, 2018 the Housing Authority Board and members of the HOA held a meeting after which, the Housing Authority Board agreed to “workshop” the issue at their next regularly scheduled meeting on January 2, 2019 with the goal of providing several options to the elected officials to consider as next steps.

January 2, 2019: Housing Authority Board Regular Meeting

At this meeting the Board discussed several different options, outlined below. Members of the HOA were present and available to answer questions. Keith Gingery was present as was Brad Flynt who represents the Modenas.

Information provided to the Board:

- The HOA does not have reserves to cover the costs of these repairs.
- It is impossible to be certain of the cost to repair the roofs at this time. Mr. Modena has submitted a quote from a contractor who according to Mr. Modena has indicated that they would NOT be willing to do the work. No other bids have been submitted by any contractors who are willing to do the work. The Homeowner’s Association has put out an RFP for an engineer and an architect to help them with design and a plan to move forward. The HOA has assessed each owner \$15,000 to be paid over three years. This is enough to cover the metal roofing or shingles to replace the outer roof, but not to replace the structure underneath. The HOA has also retained an attorney to advise them of their responsibility in this situation.
- The Housing Department is unaware of the HOA or any homeowner filing a claim with the insurance provider for the unit(s).
- In 2018, one of the market units sold for \$130,000 under asking price (which was \$679,000), based on info about the roof and the need for the new buyer to fix the roof.

Possible solutions discussed by the Board:

1. **Do nothing.** The Housing Authority has no liability. If units go to foreclosure, the Authority should purchase the units back, fix the roofs, change the restriction and re-sell to a qualified household.
2. **Increase the maximum resale price/change the restriction for permanently deed restricted units, purchase restrictions on other units.**
 - a. In this scenario, the JTCHA would increase the maximum resale price or change the restriction to a Workforce restriction for the permanently restricted units. If owners of these units were still unable to afford to fix their roofs, they would be required to sell their unit.
 - i. Increasing the max resale price shifts the cost to fix the roof to the next buyer.
 - b. For units with a sunset clause or that are already free market, if the homeowner could not afford the roof repair, JTCHA would purchase a permanent deed restriction on the unit for the cost of the roof repair. If the homeowner still could not afford to fix their roof, they will be required to sell.
3. **JTCHA financing/pay for with cost recovery.**
 - a. In this scenario, JTCHA would finance the cost of the roof repair for the 8 deed restricted units. The balance of the cost of the roof repair must be paid by the owner by the time s/he chooses to sell her/his unit.
 - b. JTCHA would purchase restrictions on any market or sunset clause units that cannot pay for cost of repair. If the homeowner still could not afford to fix their roof, they will be required to sell.

Possible solutions discussed and rejected by the Board or otherwise considered not viable:

1. **Remove deed restrictions.** The Housing Authority Board did not support this option.
2. **JTCHA Guaranty.** JTCHA guarantees the loan for the HOA (all 24 units) in exchange for restrictions on all 24 units. If an owner of a market unit pays the JTCHA back, then the restriction will be removed. All 24 homeowners will need to sign on to this. Likely not a viable option.
3. **Buy back, fix, and sell.** JTCHA forces all 8 deed restricted homeowners to sell their units. JTCHA then fixes the roofs and re-sells the units. The Housing Authority Board rejected this option.
4. **Buy back all 24 units, tear them down, and rebuild.** The Housing Authority Board rejected this option.
5. **Find the owners of the 8 permanently deed restricted units and the 3 units with restrictions that sunset in default of their special restrictions and force them to sell.** JTCHA then fixes the roofs and re-sells. The Housing Authority Board rejected this option.
6. **Change from one HOA for all 24 units to six HOAs (one HOA per 4-plex).** This could make getting financing to fix the roofs easier for some, but not all units.

Members of the HOA who attended this meeting stated that they would send out a questionnaire to their membership, polling them to see if any of these options were viable.

On January 3, 2019 a new option was suggested by members of the HOA: for owners of Affordable units who could not afford the roof repair, they could sell the unit to the JTCHA who would then fix the roof and rent it long-term to them. The Housing Authority Board did not consider this option as it was presented after their last meeting.

On January 16, 2019 the HOA held a meeting of its membership. The three “types” of homeowners – Affordable (permanently deed restricted), Sunset (deed restrictions that will expire), and Free Market – broke out into small groups to discuss the options presented by the HOA board. A summary of responses was provided to the Housing Department on January 22, 2019. Responses are as follows:

- Affordable homeowners stated that the options presented were “unpalatable” in their current form.
 - 3 of 8 owners said they could finance the roof repair with an equity increase equal to the cost of the roof repair. The other homeowners would still be unable to afford to fix their roofs.
 - Owners wanted to know what the exact valuation of their home would be before they could consider selling their unit; the range of purchase price to current value is too broad.
 - Owners wanted to know what the details on potential lease terms and pricing for their unit would be before considering a potential sale to the Housing authority and then renting long-term.
- Sunset homeowners were all willing to either replace the roof or sell on the free market after sunset. No owners were interested in selling a deed restriction at this time.
- Free market owners were all either willing to replace the roof or sell.

On January 29, 2019 the Housing Department became aware of another Melody Ranch Townhome that has been listed for sale. This unit, initially purchased for \$120,000 in 1997, is listed for \$729,000. When the listing realtor was asked about the roof issue, she provided the August 20, 2018 HOA meeting minutes that estimate the roof repair to cost around \$50,000. The Housing Department received a copy of the August 20, 2018 meeting minutes on January 30, 2019.

Also, on January 29, the Housing Department reviewed the Declaration of Protective Covenants for the Townhomes at Melody Ranch. In Article 11 (page 32) the documents states that the Management Committee (MC) has authority over everything if there is a big problem and that the MC is responsible for fixing the “disaster” promptly. If the “disaster” effects less than 1/3 of the homes, the MC can use insurance proceeds and assess the affected unit owners. If the “disaster” effects more than 1/3 of the units and more than half of the owners do not agree to fix, the MC shall sell the entire project. If the owners vote yes to fixing, then they are all to be assessed and must pay within 90 days.

In the situation before us today, we understand that the “disaster” effects more than 1/3 of the units. The MC (Board of Directors) has brought the issue to its membership and over half the owners have agreed to fix the roofs. There has been a \$15,000 assessment over three years, but that is nowhere near enough money to fix the problem as presented to us today.

On February 22, 2019 the Housing Authority Board received an opinion from the County Attorney, Keith Gingery concluding that since there has not been a fire or disaster and most of the units have shown no damage, a “catastrophic event” has not occurred. He further concluded that the HOA board can assess the property owners for repairs to the roof.

On March 5, the County Attorney received a letter of opinion from the HOA’s attorney, Frank Hess along with the Melody Ranch Townhome’s HOA insurance coverage book. The opinion concurred with Mr. Gingery’s.

On March 6, 2019 at their Regular Meeting, the Housing Authority Board revisited the Melody Ranch Townhomes. The MRT HOA board was present. They provided answers to the following outstanding questions:

1. What is the actual cost of fixing these roofs? The HOA Board indicated that they received no responses to their RFP for Architectural and Engineering services, so they hired Mill Iron Timberworks, Y2 Consulting, and Blue Sky Insulators to provide architectural, engineering and contracting services to design a scope of work and provide a bid on the project. A bid and timeline for the full replacement project should be available within the next 30 days.

2. How do we know if all the roofs are affected? The HOA referred the HAB to the report from Buchko Structural Engineering LLC stating that the roofs were built incorrectly with improper materials and that *"It is reasonable to expect that the roof was designed and constructed in a similar manner throughout the complex."* The HOA also indicated that they are pursuing a scope of work to do core testing on all of the units. This will add cost to the project, but they feel it is worth doing to be certain all the roofs require replacement.

3. Were the buildings originally built to code? Is it absolutely a certainty that at the time of construction the wrong materials were used? The HOA's attorney, Frank Hess responded as follows: *Unless the Housing Authority is going to make it a condition of assisting the HOA, researching whether the buildings were built to code and proper materials used will not be productive. The County Planning Office would have approved the plans and the County Building Inspector presumably would have at least given a cursory inspection. It is highly doubtful anyone will find a "smoking gun". We (HOA, JTCHA, and County) should all be able to rely on Buchko Structural Engineering's report that the roofs are on the verge of destruction. Their dire condition has been confirmed by a number of the owners and simply isn't in dispute. Hopefully TCHA will agree that it really doesn't matter whether the roofs were built to code or properly inspected; they are collapsing just the same.*

As these units are over 20 years old, we are well past any statute of limitations to legally recover from any supplier, contractor, sub-contractor, or agency. At this juncture the solution is to look forward how to fix the roofs and keep the owners in their houses.

4. What is the obligation of the Housing Department to enforce maintenance on the homes? County Legal's response to this question is: *The enforcement would come at the time of sale, through the process of holding funds in escrow for repairs. Neither the restrictions or the Rules and Regulations permit the Housing Department to enforce maintenance prior to a homeowner desiring to sell their home.*

The Housing Authority Board asked the HOA to provide a plan in writing about how they will move forward and for the timeline to get a bid proposal on costs to complete the work. This item will be revisited at the next Regular Meeting on April 3rd, 2019. The HOA was informed that no recommendation will be made to the JIM without all the questions being answered, and all information in hand. It was agreed that the Housing Authority would focus on finding a way to help only the eight permanently deed restricted unit owners.

Based on discussions with the Housing Authority Board thus far, staff is recommending the following options be presented to the JIM with a recommendation from the Housing Authority Board for one of the options.

On April 18, 2019, the Housing Department received copies of a bid from Mill Iron Timberworks. The Melody Ranch Townhome HOA has indicated that the builder, panel manufacturer and engineer were confident that they did not need to involve an architect in this project. The bid came in at \$142,960 per

unit or \$1,143,680 for the 8 permanently restricted units. Mill Iron Timberworks advised the HOA to include a high and low estimate based on an increase in material & labor costs year over year. The bid with a 10% increase for one year is \$157,256 per unit or \$1,258,048 for the 8 restricted units. Please see the attached bid documents for more information.

Option 1. Do nothing.

Key Issues:

1. The owners would be assessed the cost of the repairs by the HOA.
2. If due to the lack of equity or the ability to qualify for a loan, they are unable to get financing to pay the assessment, the HOA would put a lien on the property.
3. A lien would put the owners in default of their deed restriction, and the Housing Department would require them to sell the unit. Through this process, any deferred maintenance issues are required by the Housing Department to be completed or money from the sales proceeds are held in escrow until the repairs are made. Since there wouldn't be enough equity in the home to pay the costs with the sales proceeds, the owners would be expected to pay from their own pockets. There is a likely chance that they would choose to walk away from their mortgage and get foreclosed upon.
4. When a home gets foreclosed on, the Housing Authority has the option to purchase the home. If the Housing Authority chooses not to purchase the home, the restrictions get stripped and the bank would sell the home at market value. The cost of the assessment would get paid through this process, and the home would be lost to the program.
5. If the Housing Authority purchases the home, the repairs would be made, and either the home's income range would be changed so that the home could be resold at a higher value to recoup the costs or a further subsidy would be made to keep the home restricted for lower income earning households.
6. This scenario causes families to lose their homes ruining their credit.
7. It also causes public funds to be used to purchase the homes with a potential of a subsidy to keep the homes in the program. It is a loss for the owners and potentially to the public.

Option 2. Change the 8 permanently restricted units from Affordable to Workforce Housing and raise the value of their home to meet the bid amount to provide equity needed for financing.

Key Issues:

1. No public funds would be required.
2. Owners would need to get private financing to cover the cost of repairing the roofs.
3. Some owners may not be able to afford to get financing at the higher value. If they are unable to get financing and cannot pay the assessment for the repairs, the HOA would put a lien on the home. This would put the owner in default of their deed restriction, and they would be required to sell the home. If they must sell their home, they would sell it for the adjusted value, and the Housing Department would hold money from the sales proceeds in escrow to pay the assessment for the repair. The owners would be made whole and would avoid the potential of foreclosure. This would be the same scenario that many of the market owners (units that have sunset) could face as their incomes may not be enough to allow them to get financing.
4. The units may be difficult to sell if potential buyers know they are going to have to move out for 3 months while the roofs get fixed. If the homes are unable to be sold, the Housing Authority would need to purchase the home, keep money from sales proceeds in escrow to pay for the repairs, and would resell it once the roof is fixed.

5. The cost to fix the roof is being passed on to new owners if the home sells.
6. The units will be lost to the Affordable Program but will be permanently restricted for the workforce.
7. Before making the adjustment in value, the HOA would be required to assess the cost of the repair to each owner to ensure the roofs will be fixed.

The following chart depicts what this would mean for each permanently restricted unit using the average of the current and next year's numbers at \$150,108:

Unit	Current Income Range	Number of Bedrooms	Purchase Price	Appreciation Earned (equity may not exist)	Current Value	Adjusted Value	Adjusted Income Range
#1	100% - 120%	3	\$177,095	\$66,065 (13 yrs)	\$243,160	\$393,268	>140%
#3	80% - 100%	2	\$160,181	\$38,250 (9 yrs)	\$198,431	\$348,539	>140%
#11	80% - 100%	2	\$168,390	\$44,542 (10.5 yrs)	\$212,932	\$363,040	>140%
#12	80% - 100%	3	\$151,590	\$44,438 (14 yrs)	\$196,028	\$346,136	>140%
#15	80% - 100%	2	\$147,083	\$61,214 (13.5 yrs)	\$205,297	\$355,405	>140%
#22	80% - 100%	2	\$148,406	\$58,308 (13.5 yrs)	\$206,714	\$356,822	>140%
#23	80% - 100%	2	\$172,470	\$36,404 (8 yrs)	\$208,874	\$358,982	>140%
#28	100% - 120%	3	\$164,545	\$47,713 (14 yrs)	\$212,258	\$362,366	>140%

Option 3. Town/County will provide financing to the owners of the 8 permanently restricted units.

Key Issues:

1. The financing would be provided by the Town and County for a 20-year period at an interest rate of 2%. Payments would not be required, unless the owner wishes to make payments. If so, the loan would be amortized over 20 years. Otherwise, the loan would be a balloon payment due in 20 years.
2. The balloon payment would potentially cause people to be forced to sell their home to pay it back. Some may be able to refinance to pay it back.
3. This would cost the public approximately \$1,200,864 which would be held up for potentially 20 years and is money that could be going toward additional restricted housing.

4. The money would be earning interest at a rate of 2%. This is more than what current interest rates are paying for savings accounts but could be less than the potential earnings in the future.
5. Owners in other developments will expect the same type of help.
6. The units will be lost to the Affordable program but will be permanently restricted for the workforce.

Option 4. Choose Option 1, 2, or 3 and offer to purchase sunset clauses.

The situation at Melody Ranch Townhomes presents the opportunity to purchase sunset clauses from the owners and record a new Workforce restriction on the units raising the value of the home. This would give the owner money to help pay the roof assessment, give them more equity in their home to provide more incentive to the owner, and keep the units permanently restricted for the workforce.

Precedent.

Will taking any kind of action set a precedent for other developments and/or owners in the future?

Taking action in this situation does not set a precedent for other developments and/or owners in the future for the following reasons:

1. The Housing Authority did not develop these homes and has no liability.
2. These homes were built with a somewhat new product at the time, and there were some unknowns. The roofs were built according to standards acceptable in 1998. It has since been learned that the materials were faulty.
3. The development is a mix of permanently restricted units along with market units and some units that will become market units within the next couple of years. The market owners' units are a much higher value than the restricted units which gives them flexibility and opportunity for obtaining the money to pay the roof assessment. Each building has four units that are a mix of restricted, sunset, and market. The only way possible to fix the roofs is for the entire building to be done. The mix of restrictions within these buildings and lack of ability to get financing on the restricted units causes a larger challenge than if the units were separate.

Key Questions for Board Consideration

1. Which option will the Housing Authority Board recommend to the JIM?
2. How much should be offered for the remaining sunset clauses if this option is chosen?
3. Are there other arguments to be noted making this a non-precedent setting decision?
4. Are there other options the Board would like to consider?

ATTACHMENTS

- April 18, 2019 Bid documents

LEGAL REVIEW

This issue has been reviewed by Audrey Cohen Davis, Town Attorney, and Keith Gingery and John Graham from the Teton County Attorney's Office.

RECOMMENDATION

Staff recommends Option 2 and Option 4. Purchasing the sunset clauses would allow us to keep the units restricted for the workforce in perpetuity without public funds being used. Raising the value of the units gives the owners equity to obtain financing to pay for the roof repair assessment. Some owners may have to sell their homes if they are unable to obtain financing, however, they will be made whole and avoid the likelihood of foreclosure.



MILL IRON
TIMBERWORKS

PO Box 10970 – 3955 Antelope Lane – Jackson, WY 83002

April 18, 2019

Melody Ranch Townhouses HOA
c/o

ATTN: Brian Modena

RE: Melody Ranch Townhomes - Remediation Budget

Dear Mr. Modena:

Mill Iron Timberworks (MIT) has prepared an preliminary Remediation Budget for the Melody Ranch Townhomes roof replacement. You are receiving an Item List Budget which reflects the preliminary costs for each of the 24 units. Understanding some of the units are larger than others and will ultimately cost slightly more when the final pricing is complete.

The proposal from Buchko Engineering is reflected in the budget and will need to be completed prior to final numbers being provided and is attached. All engineering should be completed in at least 12 weeks prior to beginning construction to allow for Building Department review.

MIT figures a construction schedule of approximately eight (8) weeks with about a eight (8) week lead time for manufacturing of the panels and coordination of all materials.

Ultimately the costs for General Conditions could be reduced with the more buildings that are under construction at the same time. All six (6) at once would be the most efficient but we understand the logistics of this may be overwhelming.

Please let us know if you have any questions or require further assistance.

Sincerely,



John Walker
Mill Iron Timberworks
307 413-5529

specializing in log, timber frame and contemporary structures

Project Budget Per Unit			
	Bid #1 COX	Bid #2 Mill Iron	Average
Construction	\$123,662.00	\$119,960.00	\$121,811.00
Legal Fees	\$1,000.00	\$1,000.00	\$1,000.00
Temporary Housing 3 Months	\$9,000.00	\$9,000.00	\$9,000.00
Moving & Storage fees 3 Months	\$2,400.00	\$2,400.00	\$2,400.00
Landscaping	\$2,500.00	\$2,500.00	\$2,500.00
Fencing & Decking	\$2,300.00	\$2,300.00	\$2,300.00
Panel evaluation engineering	\$800.00	\$800.00	\$800.00
Homeowner contingency	\$5,000.00	\$5,000.00	\$5,000.00
Total	\$146,662.00	\$142,960.00	\$144,811.00
YOY labor & material cost increase 10% for 2020	\$161,328.20	\$157,256.00	\$159,292.10



MELODY RANCH TOWNHOMES Remediation Budget

CC	Item	Materials	Labor	Sub	Lab & Mat	Sub-Total	Total	Notes
1200	PLAN-PERMIT					\$ -	\$ 850.00	
1240	Plan-Permit: Building Permit			\$ 500.00		\$ 500.00		Assumes a remodel Permit Each address will have to have it's own permit
1260	Plan-Permit: Electrical Permit					\$ -		No new Electrical included
1270	Plan-Permit: Estimating			\$ 350.00		\$ 350.00		
1300	JOB-SITE						\$ 16,700.00	
1310	Job-Site: Demolition	\$ 600.00		\$ 8,400.00		\$ 9,000.00		Remove existing roofing material, roof panels, ceiling drywall, Entry roof structures, Clear Story windows and framing. Cut drywall at ceiling/wall line, remove all SIPPS fasteners at bearing locations. Prep top plates and bearing points to receive new SIPPS panels
1310	Job-Site: Dumpster			\$ 700.00		\$ 700.00		1 dumpster per unit for miscellaneous construction debris
1315	Job-Site: Haul Off			\$ 1,500.00		\$ 1,500.00		Special fees are required for removal of old SIPPS Panels. Approx. 1800 sf at 9lbs per sf
						\$ -		Sections must be cut into 3' x 3'; sections for disposal and care must be taken to vacuum Styrofoam as it's being cut
1320	Job-Site: Clean-up	\$ 250.00	\$ 2,000.00			\$ 2,250.00		Figured 1 man-hour per day for 40 days
1325	Final Clean			\$ 650.00		\$ 650.00		
1330	Job-Site: Office Trailer					\$ -		Would like to use one of the 2 car Garages
1340	Job-Site: Toilet			\$ 250.00		\$ 250.00		Figured at 2 months for Building
1350	Job-Site: Power					\$ -		Use power on site
1385	Job-Site: Protection	\$ 750.00	\$ 1,600.00			\$ 2,350.00		160 man hours (Block off adjacent property, interior protection and tenting of new construction
4000	LANDSCAPING					\$ -		
4005	Landscaping: Allowance					\$ -		No landscape work figured in this budget
7000	FRAMING					\$ -	\$ 49,254.00	
7400	Framing: Roof	\$ 38,304.00	\$ 10,950.00			\$ 49,254.00		Labor and Material necessary to install all new roof system including Clear Story and Entry Porch roof system. Prep top plates and bearing points to receive new SIPPS panels
								Includes moisture barrier, re-setting existing windows, trim and siding
9000	ROOFING					\$ -	\$ 9,900.00	
9200	Roofing: Shingles/Shakes/Metal			\$ 9,900.00		\$ 9,900.00		Install Architectural Asphalt Shingles, underlayment and associated flashings
10000	METAL STRUCTURAL					\$ -	\$ -	
10300	Metal: Steelwork					\$ -		Assumes no structural steel to be used
11000	EXTERIOR TRIM					\$ -	\$ 5,110.00	
11100	Ext. Trim: Facia	\$ 1,800.00	\$ 2,660.00			\$ 4,460.00		Approximately 190 lf of 2 step 2" x 12" and 1" x 4" RS Cedar
11200	Ext. Trim: Soffit					\$ -		Soffit to be the bottom OSB material similar to existing
11900	Exterior Trim: Other				\$ 650.00	\$ 650.00		Miscellaneous trim allowance
12000	SIDING					\$ -	\$ 1,300.00	
12200	Siding: Horizontal				\$ 1,300.00	\$ 1,300.00		Miscellaneous siding allowance. Match existing as close as possible
18000	PLUMBING					\$ -	\$ 500.00	



**MELODY RANCH TOWNHOMES
Remediation Budget**

CC	Item	Materials	Labor	Sub	Lab & Mat	Sub-Total	Total	Notes
18100	Plumbing: Rough-in			\$ 500.00		\$ 500.00		Allowance for termination and re-install of plumbing vents penetrating new panels
19000	ELECTRICAL					\$ -	\$ 500.00	
19100	Electrical: Temp Power					\$ -		Figured to use existing Owners power
19200	Electrical: Rough-in			\$ 500.00		\$ 500.00		Allowance for any Electrical work
20000	HVAC					\$ -	\$ 650.00	
20400	HVAC: Vents			\$ 650.00		\$ 650.00		Allowance for termination and re-install of HVAC/Vents penetrating new panels
21000	INSULATION					\$ -	\$ 550.00	
21200	Insulation: Ceiling/Roof			\$ 550.00		\$ 550.00		Allowance for spray foam at panel to wall connections
23000	DRYWALL					\$ -	\$ 4,000.00	
23100	Drywall: Hang			\$ 3,200.00		\$ 3,200.00		Hang, tape and texture to match existing as close as possible
23900	Drywall: Other			\$ 800.00		\$ 800.00		Allowance for patching drywall areas. Match existing as close as possible
29000	PAINTING					\$ -	\$ 5,100.00	
29050	Painting: Interior			\$ 2,400.00		\$ 2,400.00		Paint Ceilings, all surfaces to be sprayed, no trim. Primer and 2 coats Builder grade - flat interior latex
29100	Painting: Exterior			\$ 1,200.00		\$ 1,200.00		Stain new wood, touch up. Match existing as close as possible
29999	Painting: Touch up			\$ 1,500.00		\$ 1,500.00		Paint all walls affected by repairs floor to ceiling. All surfaces to be sprayed, no trim. Prime and 2 coat new patches and 1 coats through out
36000	MISC & FASTENERS	\$ 600.00				\$ 600.00	\$ 600.00	
39000	EQUIPMENT					\$ -	\$ 6,900.00	
39100	Forklift			\$ 1,525.00		\$ 1,525.00		Figured at 2 months with \$500.00 Mobilization and de-mobilization for entire building
39200	Crane Rental			\$ 3,175.00		\$ 3,175.00		Figured at 8 days with \$1,500.00 Mobilization and de-mobilization for entire building
39350	Equipment: Scaffold	\$ 600.00	\$ 1,600.00			\$ 2,200.00		For rental, erecting and removal
40000	BUILDERS RISK INSURANCE							Owner to provide, naming MIT as additionally insured
43000	SUPERVISION & LABOR					\$ -	\$ 7,140.00	
43100	Supervisor		\$ 5,460.00			\$ 5,460.00		Figured at 8 hours per for 42 days \$21,840.00 for entire building
43200	Project Manager		\$ 1,680.00			\$ 1,680.00		Figured at 2 hours per for 42 days \$6,720.00 for entire building
44000	CONTINGENCY							Might want to figure 5% to 10% for cost increase assumptions for next year
	TOTAL					\$ 109,054.00		
	CONTRACTORS FEE	10%				\$ 10,906.00		
	TOTAL					\$ 119,960.00		

BUDGET ESTIMATE

#	Description of Work	Budget Est.	%	Sq. Ft.	Notes
1	General Conditions	\$ 31,300	7.0%	\$ 6.96	PLEASE SEE ATTACHED GENERAL CONDITIONS
2	Exterior Carpentry Labor	\$ 12,000	2.7%	\$ 2.67	INSTALL FACIA, DRIP EDGE, EXTERIOR PROTECTION, ECT.
3	Materials	\$ 180,000	40.0%	\$ 40.00	SIPP PANELS, FACIA, FASTENERS, ECT.
4	Framing Labor	\$ 120,400	26.8%	\$ 26.76	SET SIPP PANELS, FRAMING, DEMO
5	Roofing	\$ 39,000	8.7%	\$ 8.67	ASPHALT SHINGLES, WATERPROOFING
6	Sheetrock - Interior	\$ 18,500	4.1%	\$ 4.11	INSTALL DRYWALL, TAPE, MUD - SKIP TROWEL FINISH
7	Painting - Interior + Exterior	\$ 12,480	2.8%	\$ 2.77	PRIME AND 2 COATS ON CEILING. STAIN FACIA.
8	Flashing	\$ 4,500	1.0%	\$ 1.00	INSTALL FLASHING
9	Project Manager	\$ 31,500	7.0%	\$ 7.00	
10	Subtotal	\$ 449,680	100%	\$ 99.93	
11	O.H. & P 10%	\$ 44,968	10%	\$ 9.99	
12	Contingency	\$ -	\$ -	Discuss 2%	
13	Total	\$ 494,648		\$ 110	

#	Items not included
1	Job Site Electrical Power - Provided by Owner
2	Landscaping, Irrigation, Boulders
3	Fire Sprinklers
4	Lower Valley Energy Fees
5	Builders Risk
6	Asphalt/Chip Seal

CODE	ITEM	QTY	UNIT	UNIT COST	TOTAL	COMMENTS
01000	Preconstruction Services				\$0	Included in Bid
01001	Blueprints (Bid and Shop Drawings)	1	LS	\$500	\$500	Allowance
01002	Survey	1	LS	\$0	\$0	
01003	Cleaning Labor	1	ea	\$0	\$0	Included in Labor
01004	Final Cleaning Service	6	LS	\$500	\$3,000	Included on Cost Sheet
01005	Window Cleaning Service	6	LS	\$100	\$600	Included on Cost Sheet
01006	Cleaning Supplies	1	LS	\$0	\$0	
01007	Job Office (Trailer)	1	LS	\$0	\$0	
01008	Mobilization / Demobilization	1	LS	\$2,000	\$2,000	
01009	Roll Off Dumpsters	8	ea	\$1,200	\$9,600	
01010	Dumpsters	18	ea	\$0	\$0	
01011	Site Security			\$0	\$0	If Requested
01012	Gradall (2 EA)	3	Mnths	\$3,600	\$10,800	
01013	Crane Charges	1	LS	\$0	\$0	
01014	Tools & Supplies	1	LS	\$0	\$0	Misc Consumables
01015	Safety Supplies	1	LS	\$0	\$0	
01016	Cell Phones	18	Mnths	\$0	\$0	
01017	Fax/Copier/Computer	18	Mnths	\$0	\$0	
01018	Mail / UPS / Postage	18	EA	\$0	\$0	As Needed
01019	Job Office Supplies	1	LS	\$0	\$0	
01020	Winter Conditions (as needed)	1	LS	\$0	\$0	Allowance- As Needed
01021	Temporary Fencing	1	LS	\$0	\$0	Basic Construction Fencing
01022	Temporary Toilets	3	Mnths	\$800	\$2,400	
01023	Temp Water for Site			\$0	\$0	
01024	Signage	1	LS	\$0	\$0	
01025	Power Consumption			\$0	\$0	By Owner
01026	Temporary Heat	1	LS	\$0	\$0	
01027	Temporary Lights			\$0	\$0	
01028	Temporary Power	1	LS	\$0	\$0	Power Panel
01029	Temporary Fire Extinguishers	4	Ea	\$0	\$0	
01030	Pumping and Dewatering			\$0	\$0	As Needed
01031	Snow Removal	1	LS	\$0	\$0	Allowance- As Needed

01032	Testing and Inspection				\$0	If Requested
01033	Permit & Expediting				\$0	If Requested
01034	Builder's Risk Insurance	6	400		\$2,400	By Owner- Cox Construction Listed as Additionally Insured.
				TOTAL COST	\$31,300	