

City of Las Cruces®

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Council Action and Executive Summary

Item # 9 Ordinance/Resolution# 10-076 Council District: 1

For Meeting of September 8, 2009
(Adoption Date)

TITLE: A RESOLUTION AMENDING THE FUNDING REQUEST UNDER RESOLUTION NO. 10-029 FOR A HOME REHABILITATION PROJECT ON A RESIDENCE LOCATED AT 1400 PAXTON.

PURPOSE(S) OF ACTION: Approve an increase to the funding request of Resolution No. 10-029, approved by City Council on July 20, 2009, for a rehabilitation project at 1400 Paxton.

Name of Drafter: Ray Sartin <i>RS</i>		Department: Community Development <i>POD</i>		Phone: 528-3027	
Department	Signature	Phone	Department	Signature	Phone
Community Development	<i>RS</i>	528-3066	Budget	<i>[Signature]</i>	541-2107
			Assistant City Manager	<i>[Signature]</i>	541-2271
Legal	<i>[Signature]</i>	541-2128	City Manager	<i>[Signature]</i>	541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS: City Council approved Resolution No. 10-029 on July 20, 2009, providing exceptions to the Home Rehabilitation Handbook guidelines to provide the owner of the home at 1400 Paxton with a safe heating and cooling system, new windows, a lead-free home, pay off of her MFA mortgage, and to cover soft cost incurred for a total of \$17,134.

When the construction bids for the project were opened on August 3, 2009, the bids provided by contractors came in considerably higher than Home Rehabilitation Staff estimated. The Staff construction estimate was \$12,133.37 and of the six contractors providing bids, the low bid was \$13,537.13, which is a difference of \$1,403.76. As Ms. Valenzuela is unable to cover the difference in cost, Staff is requesting an amendment to the previous funding amount raising the budget from \$17,134 to \$20,000. The additional \$2,866 will be utilized to cover the difference in construction cost, the recent tax increase, and to provide a contingency fund to pay for unknown conditions that may be found in the home during construction that may require additional repairs (i.e. unforeseen change orders). Any unexpended funds remaining at the end of the project will be returned to the Home Rehabilitation Program Account to help pay for other Home Rehabilitation Projects.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
Community Development Block Grant (Fund 2000) 20184160-722195-10207	\$20,000	\$20,000

1. Resolution
2. Attachment "A" - Work Write Up and Staff Estimate
3. Attachment "B" – Bid Comparison Sheet
4. Attachment "C" – Copy of Resolution 10-029

OPTIONS / ALTERNATIVES:

1. Vote "YES" on the Resolution. Such action would approve the funding budget increase.
2. Vote "NO" on the Resolution. Such action would not approve the funding budget increase and the project cannot be completed in its entirety.
3. Modify the Resolution at the Council's discretion, then vote "YES" on the modified Resolution.
4. Table/Postpone the Resolution and provide direction to staff.

RESOLUTION NO. 10-076**A RESOLUTION AMENDING THE FUNDING REQUEST UNDER RESOLUTION NO. 10-029 FOR A HOME REHABILITATION PROJECT ON A RESIDENCE LOCATED AT 1400 PAXTON.**

The City Council is informed that:

WHEREAS, City Council approved Resolution No. 10-029 on July 20, 2009, providing exceptions to the Home Rehabilitation Handbook for the Home Rehabilitation Project of Ms. Sandra Valenzuela; and

WHEREAS, the budget requested in Resolution No. 10-129 was \$17,134; and

WHEREAS, of the total \$17,134 Staff estimated, construction cost was \$12,134 with the remaining balance for second mortgage payoff and program soft cost; and

WHEREAS, the low bid provided by contractors was \$13,537.13, which is \$1,403.76 above the Staff estimate; and

WHEREAS, the budget requested will not cover all construction cost anticipated; and

WHEREAS, Staff failed to request any contingency funds in the original request to pay for any unknown conditions found in the home during construction that may require additional repairs; and

WHEREAS, Staff is requesting an approval to increase the budget an additional \$2,866 to cover the difference in construction cost, the recent tax increase, and to provide a contingency fund to pay for any unknown conditions found in the home during construction; and

WHEREAS, the City Council has the authority to grant adjustments to the budget.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the budget provided in Resolution No. 10-029 for the Home Rehabilitation Project for Ms. Sandra Valenzuela at 1400 Paxton is hereby granted an increase by \$2,866, for a total amount of \$20,000.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____ 2009.

APPROVED:

(SEAL)

Mayor

ATTEST:

VOTE:

City Clerk

Mayor Miyagishima: _____

Councillor Silva: _____

Councillor Connor: _____

Councillor Archuleta: _____

Councillor Small: _____

Councillor Jones: _____

Councillor Thomas: _____

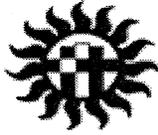
Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



City Attorney



City of Las Cruces

Owner: Sandra Valenzuela Date : 3/24/09
 Address: 1400 Paxton Application # 1419
 Home Rehab. Coordinator: Ray Sartin
 Date of walk- thru: _____ Phone #'s Home: 805-7876 Cell: _____

TO ALL CONTRACTORS:

All work shall be accomplished in a workmanlike manner and must conform to the general specifications of all Building Codes, and Zoning Laws. **All required permits** in accordance with the Building Code and Municipal Code of the City of Las Cruces must be secured prior to the start of any demolition or construction on this project.

WARNING: Due to the presence of **LEAD BASED PAINT** in this project, the Home Rehabilitation staff shall provide a copy of the Lead Paint Inspection Report to the contractor awarded the bid. Contractors are required to use Lead Safe Work Practices and pass a clearance after the removal of the items listed on the report and before continuing demolition. The program pays for the first clearance, subsequent test required due to failure are the responsibility of the contractor.

WORKMANSHIP: All work shall be neatly done in a workmanlike manner and shall be uniform in appearance. All work and materials must conform to all applicable codes and the Construction Standards of the Home Rehab Handbook.

Contractors shall verify work write-up at the job site and shall be responsible for any work that does not meet Home Rehab Standards. The Contractor will provide all material unless otherwise specified. Changes in material and/or work requirements will not be accepted for payment unless given prior approval in writing by Rehab Coordinator, Homeowner, and Supervisors. No work is to be performed before receiving such approval.

At the time of Final Inspection all warranties and guarantees for any new appliances that have been installed shall be filled out and dated to include name, address, and dealer where appliances were purchased. All inspection permits shall be delivered and all building debris and trash must be removed from the job site before final inspection. The Contractor, Home Rehab. Coordinator and Homeowner shall be present at final inspection.

Accepted by Home Owner: _____ Date: _____

Work Write-up

***Contractor to verify all information at job site. All measurements and / or estimations are for staff use only. Bidding contractors are responsible for taking their own measurements for the purpose of calculating their bids. Failure to do so will result in disqualification.**

HVAC:

Furnace: Install a new 75,000-80,000 BTU furnace Rheem®, Coleman®, or pre-approved equal with a minimum 80%E efficiency rating, complete with manual damper and PROGRAMMABLE/DIGITAL wall thermostat. (See the plan) Vent the furnace through the roof and provide a single combustion air opening through the outside wall.

Air conditioner: Replace the existing A/C with a new, down draft, evaporative air conditioner. Include a new stand, roof jack, and flashing. A/C is to be Champion®, Arvin®, or pre-approved equal, 5,000 cfm, with a ½ horse power, two-speed motor and new THERMOSTATIC/DIGITAL switch. Run a new ¼" copper water line to the A/C from the water supply with a new valve.

Duct Systems: Remove the existing duct work. Install a new, central, galvanized duct system, designed and sized by contractor to meet code requirements. Inter-connect the A/C supply duct and the furnace supply duct, with dampers to allow switching between winter and summer use. Ensure duct extends to all occupied rooms including bath by running it in the duct chase provided. (See the plan) Install new adjustable air supply registers, and return air duct to hallway, with register. Insulate the entire system with R-6 minimum.

Gas: Replace gas system from the meter to the new furnace location and the range outlet. Size the gas system to meet IRC gas code minimums and connect to the range and furnace. Include all pipe, gas stops, gas connectors, and fittings to complete as new. Run the gas piping concealed in the duct chase to the range and cut the wall in the kitchen to insert the piping behind the sheet rock. Remove all existing gas stub outs and cap piping in the walls.

General for new work: Provide any hardware, or materials required to complete as a new installation, meeting all minimum code requirements. The equipment and systems installations are to meet or exceed the manufactures installation requirements and the IRC. Provide one seasonal start up of the new furnace and one for the new A/C, one at the final of the Rehab project for the current season, the other at the next seasonal change, when requested by the owner. Install a new filter at the end of construction for the final inspection.

No work may be concealed without the inspection approval of the Mechanical Inspector.

TOTAL: \$5,000

Windows:

Replace the living room window, and the bath room window with new Low-E, vinyl, Energy Star® Rated, windows with screens. Both windows will be open able for ventilation, glazed with safety glass as required, and the bathroom window will be obscured. The sizes and locations of these windows will be as existing. Install a new window in the north bedroom wall, this window must meet Emergency Escape and Rescue requirements, per. the IRC. The style and color of the new windows shall match the existing windows. The home owner will provide the approximate location for the new bedroom window. Replace any broken glazing in the remaining windows found at the time of the walkthrough.

All necessary adjustments and repairs on interior and exterior walls will be finished to meet home rehab standards, and painted to match the existing as close as possible. Windows to be Jeld Wen®, American Craftsman®, Better Built®, or pre-approved equal. Repair finish, paint to match as close as possible.

TOTAL: \$1,200

Electrical:

Replace all detectors with new, add new detectors and relocate if necessary to meet required code minimums. Include one carbon monoxide detector. Ensure all are interconnected and hard wired. Replace the bathroom exhaust fan with a new fan, replace any wiring or duct as necessary.

Ensure the circuits, receptacle outlets, and equipment connections, at the following locations are compliant: The new furnace, A/C, and smoke detectors.

General for New Work: Provide any hardware, or materials required to complete the work listed above and ensure applicable code compliance. The equipment and systems installations are to meet or exceed the manufactures installation requirements and the Code. Replace or repair any elements of the structure affected by the installation of new work. Connect all equipment to electrical system. All existing low voltage wiring removed during construction, phone, cable, security etc. must be replaced to the original location.

All new work must comply with applicable codes, and inspection approvals by the Electrical Inspector.

TOTAL: \$1,500

Interior:

Interior: Remove two (2) old wall heaters and gas vents from the house. Patch all openings and holes at wall heater locations after removal. Patch the openings in the roof left after the vents are removed. Remove old thermostat a/c switch and unused wiring. Sheetrock, tape, texture, and paint to match existing surrounding walls, as close as possible.

Renovate the closet in the SW bedroom into a furnace closet by; walling off the interior of the closet, installing a door in the hall, and providing a platform for the furnace. Construct a new closet in the bedroom as shown on the plan. Reuse the shelving and hangar rod if possible, replace with new if necessary. Sheetrock, tape, texture, and paint to match existing surrounding walls, as close as possible.

Build a duct chase below the hall ceiling and in the living room, across the entry to the kitchen, ending in the north bedroom, as shown on the plan. Ensure the duct is covered and can reach all occupied spaces. Keep the chase as small as possible while providing for the duct. Patch any openings in the ceiling above the duct chase. Sheetrock, tape, texture, and paint to match existing surrounding walls, as close as possible.

TOTAL: \$1,600

Exterior:

Remove and replace all soffit and fascia on the structure. Remove and dispose of the materials listed above using Lead Safe Working Practices, with certified personnel. **Clearance approval is required at completion.** Install strip type soffit vents the full length of building under the front and back eaves and install metal corners on fascia an "H" molding at joints. All soffit and fascia will be wood grain Masonite® or pre-approved equal material. No wafer board fascia or soffit will be accepted.

Replace or repair any elements of the structure affected by the installation of new work and removal of existing elements. All necessary adjustments and repairs to walls will be finished to meet home rehab standards, and painted to match the existing as close as possible.

TOTAL: \$2,000

Clean up:

Clean exterior and interior of all new windowpanes and frames. In work areas; vacuum all carpeting, clean all vinyl, and leave all porches and walks in a broom clean condition. Remove all paint spills, overspray, drywall mud, plaster, etc., from all surfaces.

- **Include Performance Bond of 3% in Total**

HVAC	\$5,000
WINDOWS	\$1,200
ELECTRICAL	\$1,500
INTERIOR	\$1,600
EXTERIOR	\$2,000
Sub Total:	\$ 11,300.00
Tax: @7.375%	\$ 833.37
Total:	\$12,133.37

Construction Company

Contractor

Telephone Number

Signature

Date

RESOLUTION NO. 10-029**A RESOLUTION APPROVING EXCEPTIONS TO THE HOME REHABILITATION HANDBOOK, INCLUDING PAYING OFF A SECOND MORTGAGE, FOR A HOME REHABILITATION PROJECT ON A RESIDENCE LOCATED AT 1400 PAXTON**

The City Council is informed that:

WHEREAS, the Home Rehabilitation Staff has processed the application for a home rehabilitation project for Ms. Sandra Valenzuela, whose house is located at 1400 Paxton; and

WHEREAS, the homeowner is a single person who lives with her two minor children and has an annual income of \$24,585; and

WHEREAS, this project needs insulated windows, heating and cooling system, the removal of lead-based paint and soft cost expenses for an approximate cost of \$14,134; and

WHEREAS, staff is requesting home rehabilitation funds in the approximate amount of \$3,000 to pay off a second mortgage on the house and get a release of lien so the City's mortgage can take second position per the Home Rehabilitation Program guidelines; and

WHEREAS, the approximate funding needed for this project is \$17,134; and

WHEREAS, the appraisal of the property after rehabilitation is \$107,000; and

WHEREAS, under the Home Rehabilitation Handbook guidelines, because of the lack of equity in the dwelling, the homeowner does not qualify for all of the requirements of the Home Rehabilitation Program without review and approval of certain exceptions being granted by the City Council; and

WHEREAS, the City Council has the authority to grant exceptions to the Home Rehabilitation Program guidelines.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the Home Rehabilitation Project for Ms. Sandra Valenzuela at 1400 Paxton is hereby granted the following Home Rehabilitation Handbook exceptions, which will

allow Ms. Valenzuela to receive a grant under the Home Rehabilitation guidelines for the following activities, dollar amounts, and program exceptions:

- a) Home Rehabilitation funding to payoff MFA second loan on her property in the amount of \$3,000. No exception needed.
- b) Windows, heating and cooling system and soft cost expenses in the amount of \$12,000. Exception needed: Chapter VI, Part C-2 – Loan to Value Ratio of the Home Rehabilitation Handbook in excess of 95%.
- c) Lead-based paint removal in the amount of \$2,134. Exception needed: Chapter VIII, Part B-2 – Minimum/Maximum Loan Amounts of the Home Rehabilitation Program due to the fact that this section states that the first \$2,000 of all lead-based paint removal or abatement procedures shall be applied to the loan amount for the home/property owner.

For a total amount of \$17,134.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this 20th day of July 2009.

(SEAL)

APPROVED:



Mayor

ATTEST:



City Clerk

VOTE:

Mayor Miyagishima:	<u>Aye</u>
Councillor Silva:	<u>Aye</u>
Councillor Connor:	<u>Aye</u>
Councillor Archuleta:	<u>Aye</u>
Councillor Small:	<u>Aye</u>
Councillor Jones:	<u>Aye</u>
Councillor Thomas:	<u>Aye</u>

Moved by: Connor

Seconded by: Small

APPROVED AS TO FORM:



City Attorney