

# City of Minot

## COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY ACTION PLAN AMENDMENT #4



For CDBG-DR Disaster Recovery Funds  
Section 239 of the Department of Housing and Urban Development Appropriations Act, 2012  
(Public Law 112-55, enacted November 18, 2011)

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April 2, 2013

City of Minot, North Dakota  
Curt Zimbelman, Mayor

## **THE CITY OF MINOT ACTION PLAN AMENDMENT NO.4**

Through this Community Development Block Grant (CDBG) Disaster Recovery (DR) Amendment #4, the City is satisfying two objectives. The first is to change the amount of the monetary cap placed on home rehabilitation and home reconstruction. The second objective is to change the name of the Northern Housing Development Infrastructure to reflect the current proposed location.

### **Current Situation**

The Action Plan, published on July 12, 2012, established a cap of \$60,000 for the rehabilitation of a single-family structure. There was no provision made for additional funding if the home was considered to be historical. The funds were made available as a forgivable loan, forgivable over a three-year period. Homeowners had to meet certain criteria including owning the home prior to the flood and not being located in the floodplain. They also had to place in an escrow account any Duplication of Benefits funds determined to have been received. Based on a budget of \$4,546,502.83, approximately seventy-five (75) homes could be rehabilitated.

A cap of \$150,000 per single-family structure was established for complete home reconstruction. The same forgivable loan and escrow requirements apply to reconstruction as were set for rehabilitation. Based on a budget of \$9,525,000, approximately 64 homes could be reconstructed.

In the current Action Plan, as amended, the City will provide infrastructure to support the Northern Housing Development which included fifty-one percent (51%) affordable housing and is in the northwest portion of the City, outside the flood area.

### **Proposed Changes**

This Amendment #4 proposes to raise the cap for rehabilitation and reconstruction of single-family structures. The proposed cap for rehabilitation is \$90,000 with an additional \$20,000 if the house has been classified as historical. It is assumed that ten percent (10%) of all homes being rehabilitated will be considered historical. Based on the proposed cap, approximately forty-five (45) single-family structures could be rehabilitated plus five (5) historic structures included for a total of fifty (50). Since not all home rehabilitations will be at the level of the cap, additional homes may be included in the Program.

The proposed cap for reconstruction is \$195,000. Based on this proposed cap, approximately forty-nine (49) structures could be reconstructed.

It is also being proposed that the cost for any required lead based paint remediation not be included as part of the rehabilitation cost to repair the flood damages under the cap limitation. For homes being reconstructed, it is proposed not to include the cost of asbestos abatement or demolition as part of the cost under the cap limitation.

The following tables illustrate the proposed changes.

**Rehabilitation of Flooded Properties – Estimated Total Cost = \$4,546,502.83**

	<b>CAP</b>	<b>Number of Houses Rehabilitated</b>
<b>Original Action Plan</b>	\$60,000	75
<b>Proposed Non-Historic</b>	\$90,000	45
<b>Proposed Historic</b>	\$110,000	5

**Reconstruction of Flooded Properties – Estimated Total Cost = \$9,525,000.00**

	<b>CAP</b>	<b>Number of Homes Reconstructed</b>
<b>Original Action Plan</b>	\$150,000	64
<b>Proposed</b>	\$195,000	49

The name of the Northern Housing Development Infrastructure project is proposed to be changed to the 55<sup>th</sup> Street Crossing Affordable Housing Development Infrastructure.

**Justification for Changing the Cap Amounts**

In two separate solicitations, proposals were requested from qualified contractors to be included in the Home Reconstruction and Rehabilitation (HRR) Program for the City of Minot. The RFP for rehabilitation required the contractor to submit unit prices for specific construction items. By this method, the items unique to each home rehabilitation project could be selected and a total cost determined. Only one bid was received from the RFP for the rehabilitation of homes. The bid was determined to meet all the requirements of the RFP however, the unit prices included in the proposal factored to a total of 17% higher than the engineer's estimate for a typical home rehabilitation project. A recommendation was made to the Minot City Council to accept the bid and award the contract. The City considered the unit prices acceptable based on the extensive amount of construction work being performed in the city that has increased the price of materials and created a high demand for contractors.

For each home being rehabilitated, a Work Write-up (WWU) is prepared that lists the actual work to be performed. From the WWU, the total cost of the rehabilitation project is determined. At the time of this Amendment #4, there were five (5) WWUs prepared, two (2) of which were for historic homes. A summary of the WWU costs is shown on Attachment 1. Total project costs for the three non-historic homes ranged from approximately \$46,600 to \$72,900, not including any lead based paint remediation. The cost of rehabilitating the two (2) historic homes without lead based paint remediation was approximately \$87,700 and \$86,600. These homes did not require any exterior siding work which would have added greatly to the total rehabilitation cost. The cost of environmental work for these houses ranged from approximately \$1,700 to \$23,100.

Preliminary inspections of other homes that will be part of the Program indicate that rehabilitation cost could be higher and closer to the proposed caps. Based on the actual unit costs being higher than the

engineer's estimate and the actual WWU costs of five homes to be rehabilitated, raising the cap for each single-family structure is justified.

The RFP that was published for home reconstruction resulted in submittal of two bids. A recommendation was made to the City Council to accept one of the bids. The City Council voted to accept the one contractor's proposal and award a contract.

The Reconstruction RFP included proposed layouts for homes of various sizes from 1,022 to 1,850 square feet. The size home that each family would get will depend on the size of the family and the gender of any children. The RFP required the contractors to submit a per square foot unit cost for each of the thirty-nine (39) home configurations included in the RFP. Based on the square foot price proposed by the successful contractor, the maximum size house that could be built and remain under the current cap would be 1,246 square feet. A cap of \$195,000 would permit homes of all proposed configurations to be built.

It is being proposed that the cost for lead based paint remediation not be included with the cost of rehabilitation under the cap. These costs may be significant and would limit the amount of rehabilitation that could be performed. Including these costs under the rehabilitation cap unfairly penalizes a family that has lead based paint in their home versus one that does not. Much less renovation work could be performed in a house that required abatement than one that didn't. The remediation of lead based paint is a Federal requirement and is not a result of the flooding, thus it is considered an additional cost that is not to be included in the City's goals for flood damaged repairs.

For the reconstruction of homes under the Program, it is proposed that the cost for asbestos abatement and home demolition not be included under the cap amount. Including these costs would unfairly penalize a homeowner whose house has asbestos and give an unfair advantage to homeowners whose house has already been demolished. It is the City's goal to be fair and reasonable across all affected homeowners.

The City originally proposed working with a developer on a project called Northern Housing Development Infrastructure; however, there are delays in this project and the city has identified a project that is further in the development stage. A new project called the 55<sup>th</sup> Street Crossing Affordable Housing Development Infrastructure has been proposed to replace the original project. This housing development, located in the southeast of the City of Minot, is proposed to replace the original project. The City will provide the proposed project with an equal amount of funding to support construction of the required infrastructure.

#### **Comment Period**

Citizen participation is an essential component of the Citywide planning effort. The City of Minot strongly encourages public participation in identifying needs and the use of CDBG Disaster Recovery Funding. Citizens and other interested parties are invited to comment on Amendment #4.

A formal seven (7) day public comment period will begin on April 2, 2013 for Amendment #4 to the Action Plan. Comments will be accepted until April 10, 2013. Comments may be submitted via email to [www.minotrecoveryinfo.com](http://www.minotrecoveryinfo.com) or by mail to Public Information Officer, PO Box 5006, Minot North Dakota, 58702-5006. Amendment #4 to the Action Plan will be posted on the City's websites at: [www.minotnd.org](http://www.minotnd.org) and [www.minotrecoveryinfo.com](http://www.minotrecoveryinfo.com) no later than April 2, 2013.

Non-English speaking individuals and individuals with disabilities may request auxiliary aids and service necessary for participation by contacting Tami Stroklund, Executive Secretary, at PO Box 5006, Minot, North Dakota, 58702-5006, or [tami.stroklund@minotnd.org](mailto:tami.stroklund@minotnd.org). Alternatively, they may access the State of North Dakota assistance at the following numbers:

<b>800.366.6888 or 711:TTY</b>	<b>800.366.6889 or 711:Voice</b>	<b>800.435.8590 or 711: Spanish</b>
<b>877.366.3709 : 900 Services</b>	<b>877.366.3709: Speech To Speech</b>	

# City of Minot CDBG Disaster Recovery

## Action Plan Amendment #4

Table 1  
Work Write-up Summary

### HOME REHABILITATION – Non-Historic

Property ID	Damage Estimate	Environmental Work	Total Cost
107	\$46,591	\$0	\$46,591
110	\$58,353	\$0	\$58,353
162	\$72,877	\$14,026	\$86,903

### HOME REHABILITATION - Historic

Property ID	Damage Estimate	Environmental Work	Total Cost
120	\$87,683	\$1,716	\$87,683
137	\$86,599	\$23,051	\$109,650