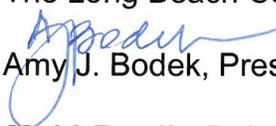


M E M O R A N D U M

DATE: April 15, 2015

TO: Board of Directors
The Long Beach Community Investment Company

FROM: 
Amy J. Bodek, President

SUBJECT: **Multi-Family Rehabilitation Loan Change Order Number 2 – 845 to 849 ½ Orange Avenue (CD 1)**

RECOMMENDATION:

Approve Change Order Number 2 in the amount of \$22,264 for the Multi-Family Rehabilitation Loan issued to the owner of the property located at 845 to 849 ½ Orange Avenue, with conditions.

DISCUSSION

On, April 11, 2013, the former LBCIC Programs Committee approved a loan of up to \$280,000 for the extensive rehabilitation of the four-unit property located at 845 to 849 Orange Avenue. The property is located in the Hellman Historic District, and was previously cited as a nuisance property by the City's Code Enforcement Division. A site map and photograph are attached (Attachment A). Change Order No. 1 in the amount of \$58,230 was approved on November 19, 2014. The proposed Change Order, which is attached (Attachment B), includes the following:

- A. 845 Orange – Electrical rewire. \$5,460.
- B. 845 Orange – Install bathroom fan/vent. \$337.50.
- C. 847 Orange – Electrical rewire. \$3,978.
- D. 847 Orange – Install bathroom fan/vent \$337.50.
- E. 849 Orange – Electrical rewire. \$6,030.
- F. 849 Orange – Install bathroom fan/vent \$337.50.
- G. 849 ½ Orange – Electrical rewire. \$5,446.
- H. 849 ½ Orange – Install bathroom fan/vent \$337.50.

The total cost for the proposed Change Order is \$22,264, which increases the total construction budget to \$342,543, and the total project budget to \$360,494 (including \$17,951 in predevelopment costs). Staff recommends approval of Change Order Number 2, with the condition that the owner approve the work, and both the owner and contractor sign the attached Change Order.

SUGGESTED ACTION:

Approve Recommendations.

AJB:PU

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Attachments:

- A. Site Map and Photograph
- B. Change Order Number 2 (with Change Order Number 1 attached)

CHANGE ORDER # 2 – Change to Contract Amount (Loan Modification)

NO WORK RELATED TO THIS CHANGE ORDER CAN OCCUR UNTIL IT IS APPROVED BY THE LBCIC BOARD AND ALL PARTIES

Loan Number : 112-04-13-0/1
 Property Owner : Raven Pfister as successor trustee of the Philip Pfister Revoc. Trust
 Address : 845-849 ½ Orange Ave – Long Beach, CA

The following specifically described work, or changes of previously described work, price change, or change of contract time, have been reviewed by all contractual parties, and Rehabilitation Staff Inspector, and have approved this change order, which amends the related rehabilitation contract. The contractor is authorized to provide labor and material necessary to perform all change order work under the same conditions as set forth in the originally executed Owner and Contractor Rehabilitation Contract, only upon written approval by the Housing Development Officer, and a properly executed Promissory Note Modification Agreement approved by the Deputy City Attorney.

Amendment(s) to original contract: Add:

1	845 Orange Ave – Remove all knob and tube wiring and illegal wiring thru-out unit. Replace to code all receptacles and rewire entire unit with 12 Ga Romex wire. Upgrade circuit breakers to accommodate new 12 Ga wiring.	\$5,460.00
2	845 Orange Ave – Install fan in bathroom as per inspector's request	\$ 337.50
3	847 Orange Ave – Remove all knob and tube wiring thru-out unit	\$3,978.00
4	847 Orange Ave – install fan in bathroom and vent as per inspector's request	\$ 337.50
5	849 Orange Ave – Remove all knob and tube wiring and illegal wiring thru-out unit. Replace to code all receptacles and rewire entire unit with 12 Ga. Romex wire. Upgrade current breakers to accommodate new wiring.	\$6,030.00
6	849 Orange Ave – Install fan in bathroom and vent as per inspector's request	\$ 337.50
7	849-1/2 Orange Ave – Remove all knob and tube wiring and illegal wiring thru-out unit. Replace to code all receptacles and rewire entire unit with 12 Ga. Romex wire. Upgrade current breakers to accommodate new wiring	\$5,446.00
8	849-1/2 Orange Ave – Install fan in bathroom and vent as per inspector's request	\$ 337.50
	TOTAL CHANGE ORDER #2	\$22,264.00

Original contract Amount	\$262,049.00
Change Order #1	\$ 58,230.00
Change order #2	<u>\$ 22,264.00</u>
Total New Rehab contract amount	\$342,543.00

New Loan Amount: \$360,494
 After Rehab Value: \$500,000
 Loan to value ratio: 72%

LBCIC Projects Committee

Date: ___/___/20

NAME - Owner

Date: ___/___/20

NAME – Contractor

Date: ___/___/20

NAME – Housing Rehab Counselor

Date: ___/___/20

Patrick Ure – Housing Development Officer

Date: ___/___/20

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CHANGE ORDER # 1 – Change to Contract Amount (Loan Modification)

NO WORK RELATED TO THIS CHANGE ORDER CAN OCCUR UNTIL IT IS APPROVED BY THE LBCIC BOARD AND ALL PARTIES

Loan Number : 112-04-13-0/1
 Property Owner : Raven Pfister as successor trustee of the Philip Pfister Revoc. Trust
 Address : 845-849 ½ Orange Ave – Long Beach, CA

The following specifically described work, or changes of previously described work, price change, or change of contract time, have been reviewed by all contractual parties, and Rehabilitation Staff Inspector, and have approved this change order, which amends the related rehabilitation contract. The contractor is authorized to provide labor and material necessary to perform all change order work under the same conditions as set forth in the originally executed Owner and Contractor Rehabilitation Contract, only upon written approval by the Housing Development Officer, and a properly executed Promissory Note Modification Agreement approved by the Deputy City Attorney.

Amendment(s) to original contract: Add:

1	Description: Remove and replace concrete steps, landing, post, roof overhang, security door and front door to south west entrance of 849 ½. Patch inside plaster and outside stucco to match existing texture. Replace entrance at 849 ½ to front (south east) of building in similar configuration with new door and hardware to match. Remove tree at front of building to make room for new entrance. Widen concrete driveway at (south west) side of building to make room for cars to enter. Install concrete walkway from steps at new entrance to existing sidewalk. Add light switch and porch light at new location of entrance.	\$9,808.00
2	Install new 1" water meter at existing location done by the City Water Department. Re-pipe the new meter with 1" copper line under cross walk and side walk to new shutoff valve at 849 Orange	\$3,995.00
3	Remove and replace all existing waste, vent and drain lines on all four units: 845, 847, 849 ½ and 849 Orange. Also remove main sewer line from back unit at 845 to the side walk at the City sewer connection. All replaced pipe will be ABS in 1-1/2"-4" in size. Patch all areas where old pipes needed to be removed.	\$34,473.00
4	Remove and replace all old galvanized gas lines to gas meters and replace with new black pipe gas lines in all four units 845, 847, 849 ½, 849. Patch all areas where old pipe needed to be removed.	\$9,954.00
	TOTAL CHANGE ORDER #1	\$58,230.00

Original contract Amount **\$262,049.00**

New Rehab Contract Amount: **\$320,279.00**

New Loan Amount: \$338,230

Raven Pfister
NAME - Owner

Date: 11/16/2014

Brian Holman
NAME - Contractor

Date: 11/6/2014

Maureen Ryan
NAME - Housing Rehab Counselor

Date: 11/9/2014

Patrick Ure
Patrick Ure - Housing Development Officer

Date: 11/12/2014