

INNOVATE



Navigating Construction Pitfalls and Tips

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37TH ANNUAL
**STATEWIDE
AFFORDABLE
HOUSING
CONFERENCE**

Agenda

- Willie Downs Villas
- The problems
- The Budget
- Studies needed
- Change Orders
- Builder's Risk Insurance
- Davis Bacon
- Pitfalls and delays
- Finally, the Finish line
- Other Projects (Identify the issue)

Background

- The Development was preliminarily awarded \$4,531,000 in HOME funds for the construction 50 new units located in Highlands County. SMG submitted a negative recommendation in the final Credit Underwriting Report (“CUR”). With agreement from FHFC Staff, the negative recommendation was presented to the FHFC Board at the **December 8, 2017** meeting. Despite the negative recommendation, the FHFC Board approved a HOME Loan in the amount of \$4,531,000 for the Development was approved at the December Board Meeting. The Borrower closed on a First Mortgage with First Bank in the amount of \$1,146,250, and the FHFC HOME loan on August 8, 2018.
- Following the closing of Willie Downs, progress proceeded on a normal schedule throughout 2019, with Florida Housing receiving regular construction draw requests. However, in 2020, a slowdown in draw requests occurred, with only one submitted in 2020 and one in 2021. Initially, this slowdown was attributed to the COVID-19 pandemic, which significantly impacted the timely completion of construction projects. Since 2021, there has been minimal reported progress on the Development, with a construction inspection indicating construction was 96% complete. In 2023, an inspection conducted by Moran estimated Willie Downs was approximately 87% complete. The reduction in construction completion is partially due to the Development remaining unfinished and unoccupied for several months. Consequently, HCHAI officially terminated the construction contract with GHD Construction Services, Inc. (“GHD”) due to default on August 12, 2022, and requested Frankenmuth Mutual Insurance Company, under their Performance Bond, to assume responsibility. Frankenmuth Mutual Insurance Company responded on December 21, 2022, advising that to mitigate costs, HCHAI should proceed with completing GHD's contract.

According to the Contract

- • The site underground utilities are complete (storm, sanitary, domestic water and fire sprinkler)
- • The roadway asphalt is complete and striped
- • The grading around the buildings is complete and sod is installed at the site islands at the clubhouse and Buildings # 2 -13
- • The water is still not connected to the buildings, but the service lines to the buildings are in place
- • Both dumpster slabs, walls, gates and bollards are in place and stucco is applied and painted
- • The sanitary is connected to the buildings
- • The rear entry slabs are in place at all Buildings and the Clubhouse
- • The bushes at the front of each Building are complete and mulch is placed
- • The island plants and mulch are in place
- • The excavation of the rear retention area is complete
- • The sidewalks from Building # 1 to 13 appear to be complete
- • The local water service to the backflow preventer is in place
- • The on-site electrical service by the utility company is in place
- • The electric company is still installing the electrical meters
- • Century link cable is installed

Willie Downs Ariel Photo



Image © 2023 Maxar Technologies



Willie Downs Before



Willie Downs Before



Willie Downs Before



Willie Downs Before



Willie Downs Before



Willie Downs Before



Willie Downs Before



Willie Downs Before



Willie Downs Before



To much slope



To much slope



Sloping Sidewalks



DATE	NO.	DESCRIPTION	STATUS

CONTRACTOR'S CERTIFICATION:
I HEREBY CERTIFY THAT THE WORK SHOWN ON THESE PLANS WAS DONE BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND TO THE BEST OF MY KNOWLEDGE AND BELIEF THEY COMPLY WITH ALL CITY, STATE AND FEDERAL REQUIREMENTS.
DATE: 10/15/2014

Polston PE Engineering
FOR THE PROFESSIONAL ENGINEER:
16041

PLAN OF MODIFICATIONS FOR WILLE DOWNS
SIDEWALK MODIFICATIONS
2300 HARMONY ROAD, SEBRING, FL 33972
PROJECT NO. 16041

DRAWING SCALE: N/A
SHEET: 2 OF 4

Remove Trees from retention areas



Sources

Sources	Total Loan	Amount Funded	Available
First Bank of Clewiston	\$ 1,146,250	\$ 907,183	\$ 239,066.68
FHFC HOME	\$ 4,531,000	\$ 3,625,492	\$ 905,508.24
Highlands County SHIP	\$ 115,900	\$ 41,000	\$ 74,900.00
New FHFC HOME loan	\$ 2,050,000	\$ -	\$ 2,050,000.00
Total Sources	\$ 7,843,150	\$ 4,573,675	\$ 3,269,474.92

Change Orders

Change Order	Amount
Change Order 1 builder's risk	\$ 14,666.50
Change Order 2 appliances	\$ 14,284.90
Change Order 3 range hoods	\$ 5,000.00
Change Order 4 plumbing	\$ 15,950.00
Change Order 5 mold	\$ 17,348.00
Change Oder 6 deduct on CO2	\$ (3,851.10)
Change Order 7 Site work	\$ 847,935.00
Change Order 8 Concrete	\$ 192,570.00
Change Order 9 irrigation and landscaping	\$ 159,196.00
Change Order 10 deduct orginal items for site	\$ (186,800.00)
Change Order 11 additional tile work	\$ 39,039.00
Change Order 12 builder's risk	\$ 18,007.50
Change Order 13 deduct for tile	\$ (2,035.00)
Change Order 14 Hickey Changes	\$ 32,450.00
Change Order 15 plumbing	\$ 10,505.00
Change Order 16 Builders Risk	\$ 41,777.25

Additional Site Work needed

Additional Site Work	
Mobilization	25,000
Survey	15,000
Testing	9,500
Mill asphalt	15,000
25 loads of Millings hauled away	5,000
Clear and Grub	126,500
Cut/Fill	25,000
Export 50 loads at \$200 per load	10,000
Final Grade	10,000
Water Lines	298,900
Test Sewer	7,500
Roadwork	203,200
1,320 syd overlay	19,800
Remove 2,000 sft of concrete	6,000
Concrete Flume	2,500
Fix drain structures	10,000
Irrigation and Landscaping	148,130
Install new sidewalks	192,570
FHC fee	35,000
Contractor profit	70,000
Total Site work additions	1,234,600
Existing funding	386,253
Additional Costs	848,347
Contingency	-
Total additional costs	848,347

Sidewalks removed



TEAR IT OUT



Removing the paving and adding water pipes



Laying down the proper base



Big Pipe into little Pipe



When the Tropical Storm hit



See if you can identify the issue in the following pictures:

- Each picture has a problem
- What is it?

Identify the Problem

Front door openings are not installed correctly



Identify the problem

wire mesh not embedded in slab properly



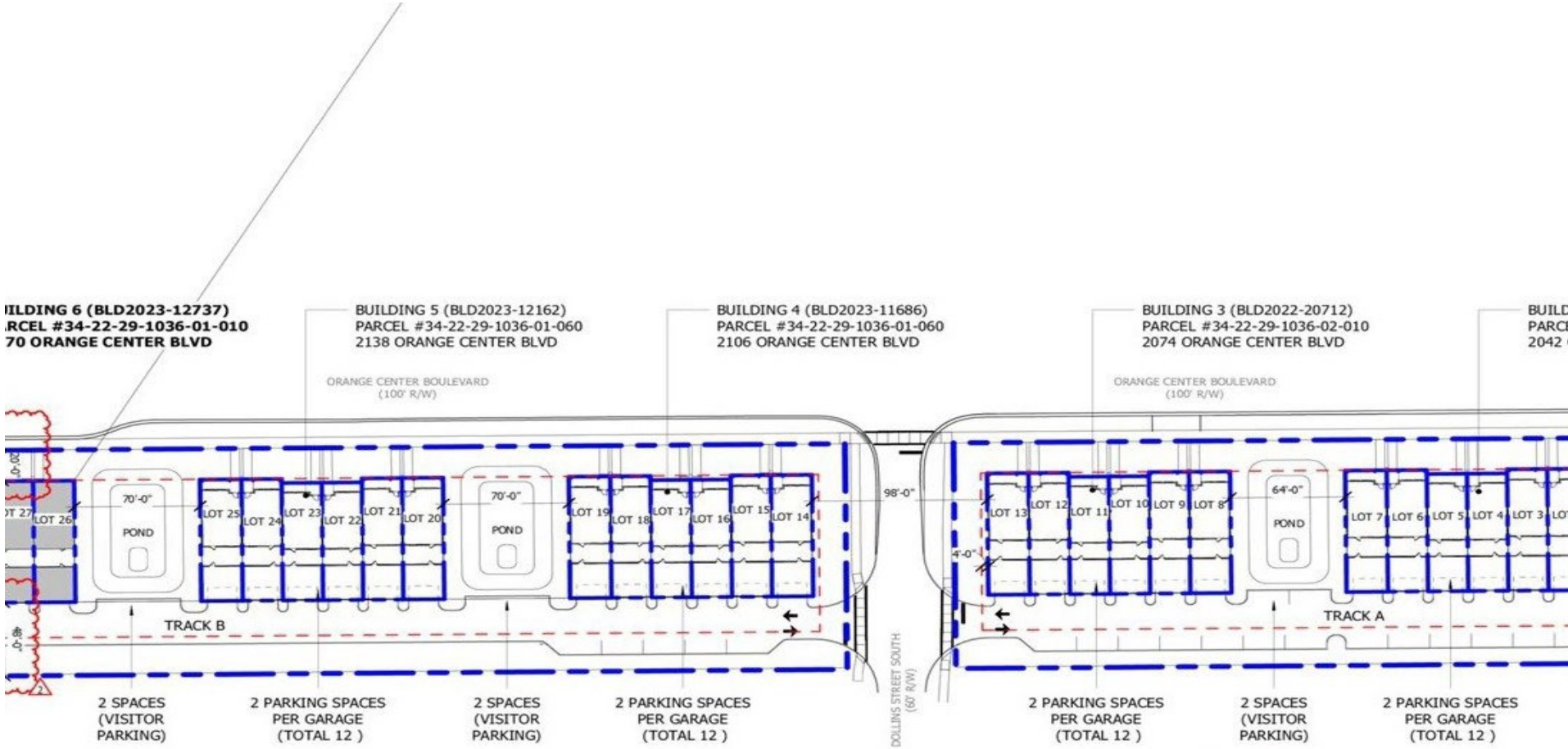
Identify The problem

Garage door lintels not installed level. CMU block higher at one site compared to other side



Did they follow the plan

Slab at front porch to jog per plans



APPROVED SITE PERMIT ENG2021-12420

BUILDING SETBACKS (REQUIRED)		LOT 1 - BUILDING SETBACKS (REQUIRED)	
FRONT (NORTH)	20 FT	FRONT (EAST)	0 FT
SIDE	5 FT	SIDE	0 FT
STREET SIDE	15 FT	STREET SIDE	0 FT
REAR (SOUTH)	25 FT	REAR (WEST)	20 FT

What is the issue?



The End

- Questions