

The Rehabilitation Plan

YOU'VE BEEN APPOINTED!



WHAT'S NEXT?



Building Your Plan

- Understand scope of work
- Document existing conditions
- Strategize corrective action
- Establish your billing practices
- Draft rehabilitation plan
- Amend as the plan changes



Understanding Expectations

- Limited Receiverships

Typical for occupied properties with emergency code violations, vacant Bank owned properties with exterior violations. Usually closely monitored by owner/bank etc. Objective is to address specific code violations.

- Full Receivership

Typical for abandoned properties in need of total rehabilitation. Receivership expands only after approval of rehab plan. Objective is to combat blight by fully rehabilitating the property.

Determining Scope of Work

Important: A Receiver only has authority to correct code violations.

- Collect as much information as possible – review code reports, discuss history with tenants, owner, local health agents.
- Request full inspections of the property by local health and building agents to identify violations and define scope of work.
- Existing violations should be cited and documented by municipality prior to corrective action to protect receivers lien.
- Take lots of pictures

Billing Practices

- Be consistent with your standard billing practices

If you are a general contractor or property manager the receivership should be billed using the same practices you would bill your private customers.

- Be as transparent as possible

Include income generating sources in ways where they can be easily understood by all parties. There's nothing wrong with charging for all your services, it just has to be clear where and how much.

Costs to Include in Plan

- Management Fees
- Inspection Fees
- Your time spent acting as a receiver
- Charges for general labor
- Markup on subcontractors
- Routine Services like landscaping
- Administrative time and reporting
- Unit pricing
- Legal
- Utilities

*Check to see if you are charging redundant fees for the same services.

Rehab Plan Content

- Narrative describing the violations and corrective actions.
 - Reference reports
 - Provide pictures
 - Focus on code violations
- Timeline to completion
 - Break down into monthly objectives
 - Be conservative – things take longer than expected
- Cost proposal/budget for renovations
 - Include Estimates for labor and materials
 - Keep billing as transparent as possible
 - Include management fees, legal, utilities, grounds keeping etc

Narrative

Rehabilitation Plan:

The subject property is in need of extensive renovations. This is clearly seen in the attached pictures and reports from the local board of health. Below is our proposed course of action to remediate the violations and make the units code compliant and habitable.

Mechanical Systems Testing & Updating

Both units have reasonably updated circuit breaker panels, gas fired hot water heaters and wall mounted gas fired boilers with hot water baseboard heating elements.

In the right (occupied) unit the electrical and mechanical systems are intact and appear to be functioning properly with only minor plumbing and electrical repairs necessary.

In the left (vacant) unit all the mechanical systems appear intact, however, from information obtained locally it is believed that there is freeze damage to the heating system, hot water baseboards and water piping. We expect that this unit will need a new boiler and repairs to the plumbing throughout. Electrical and plumbing fixtures throughout will be tested and updated.

Exterior Renovations:

The exterior of the property is a wood clapboard in disrepair. As can clearly be seen in the pictures it is failing in many places. The siding is beyond its expected life cycle and no longer repairable. The roof also is beyond its expected life. The main roof is showing signs of failing shingles in several locations and the roof above the basement steps has failed completely and is leaking into the basement stairwell. The windows are also in poor condition with missing screens and locks and many do not open or close properly.

Both the front and back porches and steps are in poor condition. Porches are sloping from improper footings and rotten structural members. Stairs have loose and missing treads and handrails. Entry doors are damaged, have failing veneer and do not close or lock properly.

We propose to completely renovate the exterior of the property including new doors and windows, a new roof, new vinyl siding and rebuilding the front and rear porches including new footings, steps and railings.

Interior Renovations

In the occupied unit general repairs will be made to attain code compliance. These will involve repairing kitchen cabinets, patching walls and floors, fixing plumbing leaks and repairing light fixtures. The left (vacant) unit requires major improvements to be code compliant. These include removing and replacing kitchen cabinets, countertops, fixtures and flooring, patching and painting walls throughout, and replacing badly stained and damaged carpet and flooring throughout. New electrical and plumbing fixtures will be provided and general carpentry and repairs will be made as necessary.

Structural Work

Some structural work is anticipated during the course of the renovations. This is expected to include reinforcing some framing in the basement, replacing rotten sections of sills or support posts as necessary and replacing wooden support posts with steel columns.

The time frame to complete the projected repairs is presented below.

Lead Paint

No lead paint hazards were found during the initial lead paint inspections. Letters of initial deleading compliance are attached.

Time Line

Timeline for Work By 10-31-17

1. Make general repairs to right unit and make interior code compliant.
2. Turn on electricity to vacant unit. Test and repair wiring throughout.
3. Turn on gas, test heating system and hot water. Replace as necessary
4. Turn on water and repair plumbing.
5. Measure and order windows.
6. Begin work on exterior carpentry and siding
7. Finish cleaning out basement, remove carpet from left unit and gut old kitchen cabinets.
8. Begin interior paint prep on left unit

12-31-17

9. Replace Roof
10. Complete exterior carpentry and siding
11. Finish patching and painting left interior
12. Install new carpets in left unit

2-31-17

13. Install new kitchen cabinets
14. Install new kitchen, bathroom and living room flooring
15. Install appliances
16. Clean and make ready
17. Market for rent

2-31-17 Completion Goal

Proposed Budget



Estimated repair costs and items for 524 Walker St, Lenox MA	Estimate	
	Description	Low
Electrical work: Test and repair fixtures throughout, add circuits and GFI protection as necessary. (subcontractor labor and materials)	3250	3750
Plumbing: Turn on gas and water, test and repair plumbing and update fixtures. (subcontractor labor and materials)	2500	3500
Heating: Replace heating system and repair baseboards in left unit. (subcontractor labor and materials)	6500	7000
General repairs to right interior to make code compliant (labor)	4250	4500
General repairs to right unit for code compliance (materials)	1500	1800
Remove remaining trash from basement (labor)	750	850
Disposal costs for trash	250	350
Demo kitchen cabinets, carpeting and other damaged interior components (labor)	1500	1750
Disposal cost	250	350
Replace 18 Windows (labor)	2500	2750
Windows (materials)	2700	3600
Replace 5 exterior doors - front & rear on both units plus basement (labor)	2250	2700
5 exterior entry doors (materials)	1000	1250
Replace 4 screen doors on entry doors (labor)	650	850

Install carpet on stairs and 2nd floor (subcontractor labor and materials)	1750	2000
Install flooring in 1st floor kitchen, bath and living room (subcontractor labor and materials)	2900	3300
Carpentry and structural work to basement (labor)	2500	3000
Materials for structural work	650	850
Appliances for left unit	950	1250
Cleaning & Make Ready	1200	1500
Anticipated Legal and reporting costs	5000	7500
Management and construction oversight fees (20% of subcontractor costs is charged for supervision and oversight)	7410	8380
Anticipated Routine Grounds keeping expense	950	1200
Utility expense during scope of project	1200	1500
Install smoke alarms throughout (materials)	350	450
Install smoke and CO alarms (labor)	150	200
Total Project Range of Costs	\$108,560	\$127,480

Representative photos, certificate of insurance, and supporting documentation is attached.

Signed,

Anthony Vitman

Validating Expenses – Required Language

- “All invoices provided in this report have been paid to date.”
- “Outstanding invoices not yet paid are estimated to be \$0.00.”
- “Signed under the **pains and penalties of perjury** on this _____ day of _____, 2019”



OR



Considerations for Larger Buildings

- Architectural Code Review
- Engineering Costs
- Sprinklers & Fire Alarms
- Energy Requirements
- Accessibility
- Financing

Enjoy your Project!

