

55A - ABHS Path to Recovery Residential Program

Original Project Total Cost: \$ 11,422,000

Total Operating Cost: \$ 10,000

Alternate Project Total Cost: \$ 7,091,000

Alternate Total Operating Cost: No change

Project Description: Our goal within the alternate proposal is to maximize the impact to the community while minimizing associated costs for development. We anticipate the leveraged funds used for ongoing operations and support services to remain the same. We have identified three primary cost categories within our construction proposal that will affect the overall budget: Site development costs, facility development costs, and road/driveway access development costs.

Within our initial proposal, we prepared the budget to account for unanticipated costs associated with site development, sewer line considerations, and rising construction costs. We have revisited the initial budget proposal and identified significant cost decrease opportunities utilizing existing cost projections from the Federal Department of Housing and Urban Development (HUD) Tax Credit development program.

Our intention is to maintain the same level of proposed impact to the community by continuing with our initial 30-2BR residential development, but at a significant (no frills) cost reduction of \$130,000 per unit cost. HUD guidelines stipulate a \$120,000 per unit cost projection, however, we propose to add an additional \$10,000 per unit to account for rising construction costs and unforeseen cost delays associated with site development and sewer line concerns. Additionally, our initial proposal included a \$350 per linear foot cost projection for road access to the site, which includes a two-lane road with curb and gutter, storm sewer, drains and adjacent sidewalks. We are proposing a much more simplified access roadway that will decrease the cost to \$150 per linear foot. Total accounting for these cost reductions amounts to an overall request reduction of \$3,131,589 or 31% of the initial proposal request. Please see attached alternate budget proposal for additional cost definition.

Again, our expectation with this alternate cost proposal is to demonstrate an overall cost reduction in development and construction costs while minimizing the effect on the end product of a 30-bed transitional housing facility for homeless individuals with severe and persistent mental illness and/or a co-occurring substance use disorder.

Attachments:

https://s3.amazonaws.com/files.formstack.com/uploads/3335533/73666443/475048834/73666443_abhs_construction_budget-alternate.xlsx