

Meeting Date: July 22, 2025

MEMORANDUM

DATE: July 10, 2025

TO: Rehabilitation Board of Appeals

FROM: Planning Division

SUBJECT: Loan No. 2936 – settlement of funding

background

The homeowner applied to obtain financing and conduct repairs to their detached garage. Staff determined their eligibility, conducted a site inspection, produced specifications for the repairs, distributed the bid specifications, accepted the bid responses, and processed the request for the housing rehabilitation loan review committee's consideration. As a low-bid program the contract for the enclosed specifications is awarded to the contractor who bids the lowest price. Anytime Restoration Services was awarded the contract to strip and replace the asphalt shingles on the roof of the garage, install new gutters with guards, and install new vinyl siding and exterior trim on the garage's exterior. A new garage man door was also installed. Small trees and vegetation located directly behind and along the south side of the garage were also removed.

At its March 27th, 2025, meeting, the housing rehabilitation loan review committee approved the applicant's request for a \$15,000 10-year, interest free, forgivable loan. The loan is forgivable over 10 years at 10% annually. The homeowner also obtained a \$2,300 10-year deferred loan with a 3% interest rate. The promissory note attached to the deferred loan specifies monthly payments of \$22.21 commencing on April 15, 2030. Programming procedures also require a small contingency balance to be set aside should unforeseen expenses arise on the job. For this case, \$2,550 was allotted.

Program policy limits each forgivable loan to no more than \$15,000. The bid price for the work enclosed within the specifications from Anytime Restoration Services was \$14,450. The remaining \$550 was comprised of a \$300 lead test and \$250 of the \$2,550 contingency fund balance. For any job in which the total loan amount exceeds the \$15,000 forgivable loan limit, the remaining amount must be rolled into an installment loan. Therefore, the remaining \$2,300 contingency funds was placed in the deferred loan balance. Below is a chart summarizing the two loans issued to the homeowner.

Forgivable Loan	Deferred Loan
\$14,450.00 Contractor Bid Price	\$2,300.00 Contingency Fund
\$300.00 Lead Test	-
\$250.00 Contingency Fund	-
\$15,000.00 TOTAL	\$2,300.00 TOTAL
\$17,300.00 TOTAL AMOUNT LENT	

The contractor provided staff documentation with pictures describing their need to utilize \$1,900 of the allotted \$2,550 forgivable loan balance in order to complete the job. All other work from

the enclosed specifications was executed by the contractor. The necessary building permit was applied for and issued. The work was inspected and approved by the Building Division of the city's Community Development Department on June 17th, 2025.

In order for the case to be closed and funds to be released to the contractor, the homeowner is required to provide a signature of approval for the work performed. Due to the refusal to provide a signature of approval by the homeowner, the board is required to review the matter between the contractor and the homeowner. Should the board find no reason for the contractor not to receive payment for the work performed, then the board may authorize a release of payment to the contractor.

action

Per the board's rules of procedure, it has the authority to hear and settle any dispute between a homeowner and contractor concerning release of payment. The board should engage in conversation with the two parties to gain a full understanding on the situation.

Should the board choose to grant the release of funds, the following motion is suggested:

The Royal Oak Rehabilitation Board of Appeals authorizes the release of funds to Anytime Restoration Services for \$16,350.00 for the work performed under Loan No. 2936.

2936

	White Pine	Mansfield	Daco	Anytime	VersaPro
Tree Removal			\$2,950	\$1,600	
Garage Roof			\$5,990	\$3,800	
Garage Gutters & Guards			\$1,400	\$750	
Garage Trim			\$2,200	\$2,300	
Garage Siding			\$4,700	\$4,800	
Garage Mandoor			\$1,050	\$1,200	
TOTAL	NO BID	NO BID	\$18,290	\$14,450	NO BID

BID OPENING DATE: March 10, 2025

PRESENT AT OPENING: *Alfred J. Blush*

OPENED: *Kim Kercel*

OBSERVED:

2936
02/03/25

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Insp. 1/16/2025

City of Royal Oak Housing
CONTRACT SPECIFICATIONS
AND BID PROPOSAL

I have read the specifications contained herein and fully understand them. I accept them as written as the basis for the subsequent bids under the City of Royal Oak Housing Assistance Program.

Homeowner(s)

Date

TREE REMOVAL

\$ 1,600 -

Remove small trees & vegetation located directly behind the detached garage and on the south side of garage adjacent to the fence line.

Remove the entire tree and all logs, branches, leaves. Remove the resulting stump by grinding it down to 8-inch below grade. Fill the hole with compacted, screened topsoil to match existing grade. Seed the topsoil for grass growth. The area shall be left in a raked clean condition.

Contractor shall be responsible for any damage to the property including but not limited to structures, fences, vehicles, major landscaping, irrigation system components, etc. It's reasonable to expect minor landscape damage to lawn areas due to dropping or removing large branches. The homeowner shall be responsible for minor lawn restoration.

GARAGE - ROOF SHINGLES & VENTING

\$ 3,800 -

Strip existing roofing material and underlayment on detached garage. All refuse containers shall not damage driveways or landscaping. Haul away and dispose of all debris. Inspect all roof boards for decay and water damage and replace up to 200 lineal ft. of damaged roof boards to match existing. Purchase and install code compliant bird-proof static roof vents (Lamenco 750 or equivalent) or ridge vent (Lamenco OmniRidge series or equivalent). Vent style shall be selected by homeowner. Purchase and install all new metal drip edge, pipe flashing, etc. Color shall be selected by homeowner. Cover with one layer of #15 saturated felt paper. Purchase and install limited lifetime architectural asphalt shingles (GAF's Timberline series, CertainTeed's Landmark series, or equivalent). Color and pattern to be selected by homeowner.

Building permit & inspections required.

GARAGE - GUTTERS & GUTTER GUARDS

\$ 750 -

Remove and dispose of existing gutters. Purchase and install 4-inch seamless aluminum gutters with affixed mesh-style screen, filter, or cover & downspouts at all eaves on the detached garage. Inspect all fascia for decay and water damage and replace up to 50 lineal ft. of damaged, deteriorated, or missing wood. Color to be selected by homeowner. Mesh-style screen, filter, or cover style to be selected by homeowner. All new gutters, downspouts, and accessories shall have a baked enamel finish & inside surfaces shall have a corrosion prevention coating. Joints and corners shall be sealed with liquid aluminum gutter sealant. All connections shall be secured with matching color aluminum pop rivets or aluminum screws. Purchase and install all necessary gutter flashing. Install splash blocks at the end of each downspout. Roof gutters shall slope continuously toward collection inlets and shall be free of leaks. Gutters and downspouts shall have a slope of not less than 1/8 inch per foot along their entire length. Gutters and downspouts shall be installed so that water does not pool at any point.

Building permit & inspections required.

GARAGE - EXTERIOR TRIM

\$ 2,300 -

All fascia, soffits, rakes, verge brackets, porch posts, window openings, door openings, etc. areas shall be covered with aluminum trim. Edges and joints of trim shall be caulked per manufacturer's specifications. Inspect all wood surfaces decay and water damage and replace up to 200 lineal ft. of damaged, deteriorated, or missing wood. Color and/or pattern to be selected by homeowner.

GARAGE SIDING - VINYL

\$ 4,800 -

Install new 0.4 inch thick, double four or five wood grain vinyl siding and aluminum trim on garage only. Cover all wall surfaces with one layer of 1/2 inch foil faced rigid insulation. All nails shall be aluminum, surface nails to match in color. All fascia, soffits, rakes, verge brackets, porch posts, window, and door openings, etc. are to be covered in aluminum, caulk siding / trim only as per manufacturer's specifications. To include replacing a maximum of 200 lineal feet of damaged, deteriorated or missing wood. Remove any unused utility

Any Time

314 N Rembrandt Ave
2936
02/03/25

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Insp. 1/16/2025

attachments. Install mounting boxes for light fixture outlets, faucets, and utility meters or connections. House numbers, awnings, mailboxes, porch lights, etc. shall be removed prior to installation and reinstalled once the siding is complete. Color and style shall be selected by homeowner.

Building permit & inspections required.

GARAGE MAN DOOR

\$ 1,200 -

Replace one (1) existing entry doors, trim, frames, and all attached hardware with new entry door system per manufacturers' specs. Size and swing direction to match existing. Each shall include a prime painted, fully insulated steel door, wood frame with deadbolt prep. metal threshold adjustable aluminum sill, magnetic weather strip/wood stops, hinges, and vinyl door bottom weather strip. Must be certified and labeled in accordance with NFRC 100 by an "accredited, independent laboratory" with a U-F Factor not to exceed .32, labels to remain on windows until inspection passes. Insulate between the structural framing and door frames with fiberglass batten insulation and caulk exterior of each new frame with approved caulking. Install one new keyed entry latch set and one new keyed deadbolt Schlage or equal in each door, all keyed alike and with interior thumb turn releases, as per manufacturer's instructions. Install new interior trim to match existing, paint shall be by owner. Install new aluminum exterior trim. The homeowner will select style of new doors and hardware from contractor's samples.

Building permit & inspections required.

TOTAL: FOURTEEN THOUSAND & FOUR HUNDRED
8 FIFTY

Dollars (\$ 14,450 -)

GENERAL

The contractor shall provide to the owner all information required for understanding the scope of the work being done. It shall include, but not be limited to, building plans, designs, layouts, colors, styles, and manufacturer's names. All work must comply and conform with the Michigan Residential Code, the Residential Construction Performance Guidelines published by the National Association of Home Builders and all codes adopted by the City of Royal Oak. The contractor shall obtain and pay for all permits and licenses and shall give all notices, pay all fees and comply with all laws, ordinances, rules and regulations in reference to the work. It shall also include an **occupant protection plan**, in cases where lead based paint hazards have been identified, in order to prevent the spread of lead paint dust and to protect the occupants from lead dust exposure. The contractor shall remove from the job site, at his expense, all discontinued and unused materials.

The Undersigned contractor proposes to do all of the work as set forth above, according to the conditions of the attached contract, for the above stated price. All materials and labor designated by the specifications shall be equal to or better than that stated. It is understood that this bid is irrevocable for 60 days from the date of receipt of the bid by the owner or the City of Royal Oak. If the bid is not accepted by the owner or his agent within a 60-day period, the contractor may withdraw his bid proposal upon written notice to the owner or the City of Royal Oak.

COMPANY NAME

DATE

SIGNATURE

ADDRESS

PHONE

Planning Division
Royal Oak Community Development

248.246.3282
Alex.Bahorski@romi.gov
203 S. Troy St. / Royal Oak, MI 48067



From: [REDACTED]
Sent: Monday, June 23, 2025 11:52 AM
To: Bahorski, Alex <Alex.Bahorski@romi.gov> [REDACTED]
[REDACTED]
Subject: Re: Required Final Invoice Docs - City of Royal Oak

WARNING: This email originated from **outside** The City of Royal Oak. **Do not click on any links or open any attachments** unless you recognize the sender and are expecting the message.

Hi Alex,
I have a change order for [REDACTED] 1900.00
Details: Removal of Rotted substrate underneath cover siding and garage walls
(unforeseen)
Please see the attached pictures.

On Tue, Jun 17, 2025 at 12:11 PM Bahorski, Alex <Alex.Bahorski@romi.gov> wrote:

[REDACTED]

Per our conversation, the attached PDFs contain the following that the city will need to process your final work invoice.

- HUD Sec. 3 form
- Sworn Statement
- Full Unconditional Waiver
- Homeowner Completion Approval

From: [REDACTED]
Sent: Wednesday, July 2, 2025 8:33 AM
To: [REDACTED]
Subject: [REDACTED] change order justification

WARNING: This email originated from **outside** The City of Royal Oak. **Do not click on any links or open any attachments** unless you recognize the sender and are expecting the message.

Good morning [REDACTED]

Regarding the siding, in Order to comply with Manufacturer warranty, as well as Labor/workmanship warranty required removal of existing siding. The fasteners would not hold securely or properly for new siding attachment.

Please let me know if you have any questions or concerns.

[REDACTED]

From: [REDACTED]
Sent: Tuesday, July 8, 2025 11:04 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: [REDACTED] - Contingency Balance Utilization

WARNING: This email originated from **outside** The City of Royal Oak. **Do not click on any links or open any attachments** unless you recognize the sender and are expecting the message.

Good Morning Alex,

I'm sorry for the delay in responding to your email. I have been stewing on the explanation for additional charges. I called [REDACTED] when I received the first invoice from the City. I spoke with [REDACTED]. I specifically asked what the additional charges were for. She told me there were no additional charges beyond the bid that was presented. When I mentioned extra costs for old siding removal, she asked who told me that. I told her it was [REDACTED]. She said "The bid includes removal and replacement of old siding. It's standard on all siding jobs."

Also, everything that was needed to be done was visible when they originally came to check out the project for their bid. The pictures showed the problems.

I really think they need to reconsider the additional charges.

[REDACTED]
[REDACTED]

On Thursday, July 3, 2025 at 04:16:25 PM EDT, Bahorski, Alex <alex.bahorski@romi.gov> wrote:

[REDACTED]

Attached to this email is a more detailed explanation from [REDACTED] describing their need to utilize a portion of the allocated contingency fund.

Please let me know if this provides sufficient explanation for you to provide a signature of approval.

Thank you,

From: [REDACTED]
Sent: Tuesday, July 8, 2025 6:27 PM
To: Bahorski, Alex
Cc: [REDACTED]
Subject: [REDACTED] - Contingency Balance Utilization

WARNING: This email originated from **outside** The City of Royal Oak. **Do not click on any links or open any attachments** unless you recognize the sender and are expecting the message.

Alex,
I am also still waiting for [REDACTED] to fix the 4 holes in the garage walls. He said he would come back to fix them himself. The holes were made when the siding guy [REDACTED] hammer missed the studs from the outside and the hammer came through the wall.

[REDACTED]

[REDACTED]

On Tuesday, July 8, 2025 at 12:21:46 PM EDT, Bahorski, Alex <alex.bahorski@romi.gov> wrote:

[REDACTED]

For this impasse, the matter will need to be settled by the City's Rehabilitation Board of Appeals.

Both you and the contractor will be required to be in attendance to discuss this matter with the board members.

If the board feels that the contractor has rightfully utilized the funds, then they will be paid whether or not you sign the completion approval form.

The meeting will take place on Tuesday, June 22th, 2025 @ 7:00 PM at City Hall.

In a short while, I will send meeting details and a memo regarding this case to both you and the contractor that will be provided to the board members to review.



INSULATING
SHEATHING
R VALUE 1.52



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FLAME OR SMOKING
DO NOT EXPOSE TO
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