



HOUSING AUTHORITY of COLUMBUS GEORGIA

**PEABODY APARTMENTS
HOPE VI REVITALIZATION**

**PROGRESS REPORT
November 2005**

Project Website – www.peabodyhopevi.org

BG/WRT Program Management Team



**BOULEVARD
GROUP, INC.**

484 Boulevard SE
Atlanta GA 30312

tel 404-622-7879
fax 404-622-9395

2323 – 1st Avenue N
Birmingham AL 35203

tel (205) 327-2702
fax (205) 327-2704

December 07, 2005

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PROJECT IMPLEMENTATION

SECTION 1 STATUS REPORTS

Predevelopment – General Summary

November 2005

Administration:

Peabody Phase I Closing – completed as of November 16 and 17.

Peabody Phase II Predevelopment Loan Agreement - Legal Teams have initiated documentation for the Agreement. Integral has submitted Invoice #1 for work previously completed on the Peabody Phase II Development.

Peabody Phase I Predevelopment Loan Agreement – the executed Phase I Closing Documentation acknowledges the Predevelopment Loan payments by HACG during the initial course of the project. Final documentation must be prepared by HACG Finance for HACG Records and the HOPE VI Project Record to demonstrate complete reconciliation of the Predevelopment Loan.

CSS Program: Project remains ongoing. Client caseload continues to decline.

Soil Remediation:

This project includes removal and replacement of unsuitable soils at new building locations and is intended to correct existing soil conditions which will not sustain new building construction as well as provide a vapour barrier membrane below two new buildings as protection against possible ground source substances.

Site grading, soil removal, replacement and compaction work is being done by Alexander Contracting.

This Project requires very comprehensive soils monitoring and testing services. These services will be provided by BESI Columbus.

Stake out work for the project commenced Nov 07 followed by start of grading work on Blocks 1 and 6.

Homeownership Closing: no progress to report. No Homebuyers scheduled.

Homeownership Construction: no progress to report. Waiting for completion of Infrastructure Construction.

Infrastructure Construction for the Public Right-Of-Way: Dorsch Construction has completed installation of Combined Sewer Line A in Midland Avenue and Combined Sewer Line B connecting to the existing combined sewer aligned with the new park, Midland Boulevard.

Alexander started site stake-out as of November 07 and has been continuing with excavation to Subgrade for new streets. Installation of new storm sewer and drainage structures has started on Peabody Avenue.

Infrastructure Invoice #4 was paid by HACG as of November 22.

Infrastructure Invoice #5 was submitted to City Engineering for review and approval as of November 30.

Dorsch Equipment are scheduled to start construction of East Wynnton Infrastructure in early December.

The HACG-Integral Construction Services Agreement for the HOPE VI Infrastructure Project has been executed as of November 28.

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PROJECT IMPLEMENTATION

General Summary - continued

SECTION 1 STATUS REPORTS

Peabody Phase I Closing Documents: HACG, Integral and HUD Legal teams remain in a process of final review and detail coordination. A complete document package will be assembled by Legal Teams and provided to all signatories.

Peabody Phase II DCA Tax Credit Award: no new information to report.

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I ADMINISTRATION

November 2005

Phase I Pre-Development Loan Agreement – for the Project record and HACG accounting records, the Phase I Agreement will be officially acknowledged as 'repaid in full' and payment amounts reconciled. Documentation is in process of preparation.

Phase II Pre-Development Loan Agreement – Legal Teams are in process of preparing the Agreement document. Budgets for Loan Amounts applicable to Third Party Costs and Developer Overhead are in negotiation and HUD has approved the funding request from the HOPE VI Grant.

The Developer Team must declare their intended course of action for the Phase II Development considering their unsuccessful 2005 tax credit application.

The Developer has submitted Phase II Predevelopment Loan Invoice #1 for payment of costs associated with preparation of the Tax Credit Application and Phase II Masterplanning and Survey work. The PMT are holding the Payment Application without further action until the Loan Agreement has been finalized and executed.

HOPE VI Program Evaluation – draft copy of the CSU Interim Report was received.

Peabody Phase I Closing – was completed November 16 and 17. Project Teams have been in the process of finalizing and confirming documentation details and future payment procedures.

II SITE ISSUES – EXISTING CONDITIONS - November 2005

Wynnton Site: Subdivision Approval is complete for the Phase 1 and 2 areas. Subdivision approval for the Phase 3 Area is pending City approval for the Detention Pond Plat submitted to City as of November 28.

Peabody Site: Unsuitable soils have been encountered during the Infrastructure construction process. The Site Remediation Project is in progress.

III PEABODY MASTER PLANNING and BUILDING DESIGN - November 2005

Masterplan – There have been no further refinements to the Masterplan.

Building Design – HUD Headquarters issued another series of Design Review Comments requesting additional changes to the Construction Documents as of November 10. At that time, all project teams were focused on completing requirements for the impending Phase I Closing process and consequently HUD's Design Review Comments were not addressed until late November. The Developer Team, Architect and Program Management Team completed a Review Meeting to discuss each item on the HUD list of Comments; responses to each item were resolved and the Developer Team and Architect will provide a response to HUD by early December.

The HUD Review Comments are primarily concerned with aspects of the Uniform Federal Accessibility Standards (UFAS) and the incumbent clearances required within the designated Handicap Living Units in order to comply with the UFAS. The Comments also identify some other design detail recommendations which are subjective in nature and are not mandatory revisions. The Developer has carefully considered all HUD Comments provided and will revise design details to comply with UFAS as well as implement some of the subjective recommendations.

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IV INFRASTRUCTURE - November 2005

The Amended HACG-Integral Infrastructure Construction Services Agreement has been executed as of November 28.

Following a process of Value Engineering Studies that started in August, the Baseline Construction Schedule of Values has been revised as of November 10. The Contract breakdown is summarized below:

Dorsch Equipment - Combined Sewer Line A:	\$ 489,000.00
Alexander Contracting - General Infrastructure:	\$ 3,401,460.00
Dorsch Equipment – East Wynnton Infrastructure:	\$ 341,000.00
Scope Change Items - Landscaping; specialty paving; sidewalks;	\$ 280,000.00
Bellsouth	\$ 50,000.00
HACG Independent Engineering Inspection	\$ 50,668.00
JJG Civil Engineering	\$ 169,479.00
Contingency	\$ 306,354.00
Integral/IBG Direct Costs and Fees	\$ 480,136.00
Total	\$ 5,568,097.00

As reported in September, the start of the Dorsch Combined Sewer Contract required immediate Change Orders for two work items; 1) delete new Combined Sewer and Water Line on Talbotton Road and 2) add Combined Sewer Line B to Dorsch Contract since Alexander were unable to do this work and did not include it in their Bid. Final Net Value of Dorsch Peabody Contract was \$553,024.00

Further discussions are required with City of Columbus in order to re-allocate funding for specific actual construction Work Line Items. The original City funding allocations were based on very preliminary design information and not derived from actual construction costs and detailed project construction needs.

A Preconstruction Meeting for the General Infrastructure Project was completed November 02. Alexander Contracting commenced work on site effective November 07. By month end Alexander has completed excavation to subgrade for Peabody Avenue; Midland Avenue, 11th Avenue; Olive Street between Midland and 11th and started Midland Boulevard. They also started installation of storm sewer drainage structures on Peabody and Midland Avenues. Alexander have also ordered and delivered a significant quantity of pipe and drainage structures to be installed on the site.

During the process of excavation and grading for new streets the Contractor encountered extensive unsuitable soils. BES1 and IBG instructed the Contractor to remediate the situation by cutting and filling with crushed stone to bridge the problem areas. This additional work item is covered by an allowance within the Contract Cost intended for this situation.

Work activity on site was disrupted during the course of the month due to adverse weather conditions. While the rain events were not prolonged, the moisture effect on the site was extreme considering the surface has been scraped off and there is no proper surface and sub-surface drainage. It must also be kept in mind that soil conditions on the Peabody Site are variable and there are soils areas which are permanently wet and become completely saturated with the addition of precipitation creating a site situation which is unworkable for machinery and crews.

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PROJECT PROGRESS OVERVIEW

IV INFRASTRUCTURE - continued

The Dorsch Equipment scope of work is totally complete for the Peabody Site. That subcontract is now in the Close-Out Documentation process. Notarized Payment Certificates for Suppliers and Subcontractors have been received and Project Teams are awaiting receipt of As-Built Drawings prior to release of Retainage,

Columbus Water Works (CWW) has approved and permitted the Construction Documents for the Peabody Site and issued a Change Order request to IBG/JJG and Alexander for installation of additional chlorine taps on the water system. Additional cost is approximately \$20,000.00. Unfortunately, CWW has not provided a cost for standard CWW water and sewer tap fees for the total project. CWW were not able to provide an estimate of this cost during the design process and consequently an Allowance was never included in the Contract Documents to cover this work. The additional cost could be substantial and will be drawn against the Project Contingency Sum.

As of month end infrastructure work at the East Wynnton Site has not yet commenced. Integral/IBG have been in the process of completing subdivision and permit approvals as well as coordinating with Georgia Power for the relocation of existing overhead power services that are interfering with the site work and new home construction.

Infrastructure Payment Requests to date are as follows:

Payment Application	Notes	Date Integral Submit Invoice to PMT	PMT Approved Amount	Date PMT Submit to HACG	Date HACG submit to City of Columbus
1	Approved – engineering fees	May 09-05	\$77,595.66	May 10-05	May 12-05
2	Approved – engineering fees	June 27-05	\$18,916.61	June 30-05	July 01-05
3	Approved – engineering fees	August 08-05	\$24,678.25	August 10-05	August 11-05
4	Approved – Dorsch construction costs and engineering fees.	October 17-05	\$97,949.22	October 20-05	October 24-05
5	Approved – Dorsch Construction Costs, Independent Engineer Fees, Integral/IBG Fees, permits	November 28- 05	\$449,178.80	November 29- 05	November 30- 05
Total Payment Requests to Date			\$ 668,318.54		

City of Columbus and HACG have completed payments to Integral/IBG for Payment Applications 1, 2, 3, 4.

V PEABODY SITE REMEDIATION

Site Remediation: - November 2005

The Construction Services Agreement for the Site Remediation Project has been executed as of October 24; total cost not-to-exceed \$520,000.00

Excavation work commenced in early November on Blocks 1 and 6. To date the Contractor has not encountered significant unforeseen subsurface conditions and the work is proceeding aggressively as weather permits.

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VI RESIDENT RELOCATION

There are no Resident Relocation issues to report. The Developer Team and HACG provided a presentation to Residents on November 10 concerning the resident return process and status of the Phase I Development. The presentation was well-attended by Peabody Residents.

VII COMMUNITY & SUPPORTIVE SERVICES

Case management services are ongoing.

VIII HOMEOWNERSHIP PROGRAM – November 2005

The Homeowner Training/Counseling Program is ongoing.

IX WYNNTON PROJECT – November 2005

Homeownership Closing

No progress to report.

Homeownership Construction

Integral are coordinating with Georgia for relocation of existing overhead power services that conflict with new home construction. Integral/IBG and Neighborworks will proceed with implementation of a 10 house construction program starting in March. These 10 new homes will be constructed on a speculative basis.

X PEABODY PHASE II TAX CREDIT APPLICATION – November 2005

DCA has not responded to Integral's clarifications and request for scoring review.

XI PEABODY PHASE I DEVELOPMENT CLOSING – November 2005

Closing Process completed as of November 16 and 17.

HUD Headquarters has been in a continuous process of reviewing the Closing Documentation and requesting revisions and clarifications of financial details pertaining to the Rental Term Sheet. Through the month of November the Developer and PMT were in a process of refining payment schedules and payment details in order to reformat project financial agreements into project management work formats.

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XII PROJECT RELATED MEETINGS – November 2005

- November 02 Infrastructure Construction Progress Meeting Dorsch Contract – IBG – Dorsch – PMT – Greg Dyson ESA Independent Civil Engineering inspection.
- November 02 Infrastructure Preconstruction Meeting Alexander Contract – IBG – Integral – PMT – ESA – JYG – Alexander Contracting – BESI – Columbus Water Works.
- November 10 General Progress Review Meeting – HACG – Integral – PMT
- November 10 Presentation to Peabody Residents – Integral – IMS – HACG – PMT – Peabody Residents.
- November 10 Peabody Phase I Construction – General review – Integral – IMS – IBG – PMT.
- November 10 Homeownership Project Review Meeting – NeighborWorks – Integral – IBG – Dorsch
- November 16 Closing Phase I Development - HUD
- November 16 Infrastructure Construction Progress Meeting – IBG – Dorsch – PMT – Greg Dyson ESA Independent Civil Engineering inspection – JYG – Alexander – BESI.
- November 17 Closing Phase I Development – FHA
- November 22 Infrastructure Financial Review – City of Columbus – PMT
- November 22 Conference Call Meeting Homeownership project – Integral – PMT – HACG.
- November 30 Infrastructure Construction Progress Meeting – IBG – Alexander – PMT – Greg Dyson ESA Independent Civil Engineering inspection – JYG.
- November 30 HUD Design Comments Review Meeting – Integral – IBG – JRA – PMT.
- November 30 Conference Call Meeting Homeownership project – Integral – PMT – HACG.

XIII DOCUMENT SUBMISSIONS AND NOTICES – November 2005

Throughout the course of November there were numerous exchanges of information and documentation between Integral – HACG – private Sector Lender and Investor group in support of the Phase I Closing.

- November 02 HACG received HUD approval for Phase I Identity of Interest Waiver
- November 10 HUD Design Review Comments received
- November 10 Integral submit Phase II Predevelopment Loan Invoice #1
- November 16 Phase I Closing Documentation
- November 17 Phase I Closing Documentation
- November 21 East Wynnton Detention Pond Plat received at HACG for signature
- November 22 Infrastructure Invoice #5 submitted to HACG
- November 28 HACG-Integral Infrastructure Construction Services Agreement executed
- November 28 Draft copy of CSU Program Evaluation Report received from CSU
- November 30 Peabody Phase II Predevelopment Loan Funds release request submitted to HUD

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PROJECT FINANCIAL REVIEW

SECTION 1
STATUS REPORTS

November 2005:

As the project progresses, the PMT will monitor the overall project financial status through HACG Finance Department.

Phase I Predevelopment Loan Agreement – Phase I Predevelopment Loan payments to the Developer including Third Party Costs and Developer Overhead Costs in the total amount of \$553,804.68 have been reconciled with repayment to HACG with Peabody Phase I Closing Documentation.

Infrastructure Request for Payment – Payment Application #5 in the amount of \$449,178.80 including fees for Independent Engineering Inspection was received by the PMT on November 28; reviewed, approved and submitted to HACG as of November 29. The Invoice has been forwarded to City of Columbus as of November 30.

On November 22, City of Columbus, Finance Department issued payment for Infrastructure Invoice #4. Immediately upon receipt of the City payment, HACG issued a check to Integral for payment of Invoice #4. The payment was sent by courier to Integral as of November 22.

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PROGRESS PAYMENT SUMMARY Peabody Infrastructure Project - Payment Request #5 Integral Properties LLC/Integral Building Group (IBG) - Contract period ending October 31, 2005

Item	Obligated Contract Amount Peabody & Wynnton				Approved Invoice October 2005	Total Invoice to Date	HACG Paid to Date	
Infrastructure Design, Construction Administration, Survey & Testing, Project Management								
				Revised Contract Amount				
Engineering Design Construction Admin - JJG	\$ 169,479.00					\$ 122,384.34	\$ 122,384.34	
Staking & Testing - JJG & BESI	\$ 50,000.00							
Integral Direct Project Costs CM	\$480,136.30				\$44,625.60	\$62,152.38	\$ 0.00	
Integral Fee 4.25%							\$ 0.00	
HACG Independent Engineer ESA	\$ 50,668.00				\$ 3,935.00	\$ 3,935.00	\$ 0.00	
Contingency	\$ 231,594.20	Amount with Net change After Dorsch CO #1,2		\$ 231,594.20		\$ 0.00	\$ 0.00	
		NPDES Permits	\$2,532.00	\$229,062.20	\$ 2,532.00	\$2,532.00		
Subtotal Design and CM	\$ 981,877.50				\$51,092.60	\$ 191,003.72	\$ 122,384.34	
Infrastructure Construction								
	Obligated Contract Amount				Approved changes to Date	Approved Invoice October 2005	Total Invoice to Date	HACG Paid to Date
	Dorsch Peabody	Alexander Peabody	Dorsch Wynnton	IBG				
Demolition	\$30,450.00	\$248,190.00	\$92,270.00			\$27,405.00	\$27,405.00	
General Requirements	\$26,656.00	\$200,800.00	\$11,935.00			\$ 21,825.00	\$22,005.00	
Erosion Control		\$90,200.00	\$10,000.00					
Site Work		\$483,970.00	\$50,000.00					
Sanitary Sewer		\$242,410.00	\$81,525.00					
CS- Line A	\$363,389.00				(\$104,000.00)	\$370,681.20	\$ 295,110.00	
CS- Line B					+\$168,024.00	\$ 150,321.60	\$74,750.40	
Storm Sewer		\$637,915.00						
Water	\$24,225.00	\$350,510.00	\$15,600.00		(\$24,225.00)			
Curb & Gutter		\$141,980.00						
Street-Asphalt Paving	\$44,280.00	\$547,450.00	\$12,670.00		(\$44,280.00)			
Specialty Paving				\$120,000.00				
Sidewalks		\$211,050.00	\$ 2,670.00					
Landscaping								
Landscaping Trees				\$60,780.00				
Landscaping Sod/ROW		\$1,200.00	\$15,000.00	\$37,500.00				
Street Lighting		\$61,885.00						
Electrical Underground								
Paint Stripe/Signage		\$28,900.00						
Utility Sleeves								
Resurface 24 th 25 th Streets								
Site Electrical				\$60,000.00				
Underground Electrical								
Storm Water Detention			\$51,000.00					
Staking		\$155,000.00						
Subtotal Construction	\$489,000.00	\$3,401,460.00	\$341,000.00	\$278,280.00		\$ 398,086.20	\$494,661.60	
City and HACG Paid to Date						\$ 219,139.74	\$ 685,665.32	
City and HACG Total Invoiced to Date						\$ 685,665.32		
City and HACG Total for Payment This Invoice #5						\$ 449,178.80		

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PROJECT SCHEDULE REVIEW

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CSS Program

November 2005

- Case management is ongoing.

Homeownership Construction

November 2005

- No progress to report

Administrative Issues

November 2005

- Phase I Closing complete
- Phase II Predevelopment Loan Agreement in progress with Legal Teams

Infrastructure

November 2005

- Dorsch Contract for Combined Sewer Project in Close-Out Documentation process.
- HACG-Integral Construction Services Agreement executed
- Alexander Contracting started and work is proceeding.
- Adverse weather events slowed progress during November. Contractor has not requested a Change Order for Contract Time extension.
- East Wynnton Infrastructure not yet started.

Peabody Site Remediation

November 2005

- Soil Remediation work started at Blocks 1 and 6. Adverse weather events slowed progress during November. Contractor has not requested a Change Order for Time extension.

Peabody Phase I Construction

November 2005

- HUD Design Review Comments received – Integral and JRA preparing response
- Construction is ready to start.

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SECTION 2 OUTSTANDING ISSUES

Key Project Issues December 2005

Peabody Phase I Closing Documentation and Financial Procedures
Right-Of-Way Infrastructure Construction
Soil Remediation Construction
Peabody Phase I Building Construction
Infrastructure Construction start at East Wynnton
Site Development Construction at East Wynnton

PMT Project Look Ahead December; January 2006, February

Peabody Phase II Predevelopment Activities
Peabody - Soil Remediation Project
Peabody - Infrastructure Construction
East Wynnton – Infrastructure Construction
East Wynnton – site development
Homeownership Construction
Peabody Phase I Development Construction
CSS Case Management
Homeownership counseling
Track schedule
Track Project Budget
Monitor Relocation, CSS, Homeownership

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SECTION 3 ENCLOSURES

- Site Photos November 2005

- SUMMARY SCHEDULE update to November 30, 2005

- INFRASTRUCTURE SCHEDULE update to November 30, 2005

- HOMEOWNERSHIP PROJECT SCHEDULE update to November 30, 2005

- 90-DAY WORK IN PROGRESS SCHEDULE
December – January - February

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11-29-05 view looking northerly across the work area from Ivy Avenue

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11-29-05 view looking northeasterly across the site from existing 26th Street dead end