

# **Jordan Area Community Council**

## **THE SCHOOL SITE HOUSE MOVING PROJECT: A REPORT**

---

Neighborhood Planning for Community Revitalization (NPCR) supported the work of the author of this report but has not reviewed it for publication. The content is solely the responsibility of the author and is not necessarily endorsed by NPCR.

NPCR is coordinated by the Center for Urban and Regional Affairs at the University of Minnesota. NPCR is supported by grants from the US Department of Education Urban Community Service Program, The McKnight Foundation and The Minneapolis Foundation. St. Paul projects are funded in part by the St. Paul Initiatives Support Corporation (LISC), The St. Paul Foundation, and St. Paul Companies.

NPCR  
330 Hubert H. Humphrey Center  
301-19<sup>th</sup> Avenue South  
Minneapolis, MN 55455  
Phone: 612-625-1020  
e-mail: [npcr@freenet.msp.mn.us](mailto:npcr@freenet.msp.mn.us)  
website: <http://tcfreenet.org/org/npcr>

Prepared by: Binoy Panicker

Research Assistants  
Neighborhood Planning for Community Revitalization  
Center for Urban and Regional Affairs  
University of Minnesota  
Minneapolis, MN

Aug., 1999

Document NPCR1133

---

## **Table of Contents**

### [Executive Summary](#)

### [1. Chapter 1: Introduction to JACC and the School Site House Moving Project](#)

#### [1.1 Introduction](#)

#### [1.2 The School Site House Moving Project](#)

#### [1.3 Initial budget and purpose of the project](#)

### [2. Chapter 2: The Project Process](#)

#### [2.1 The Main Issues in the Project](#)

#### [2.2 Details of houses moved and project tasks](#)

#### [2.3 The Key Players in the Project](#)

#### [2.4 The Process on a Time Scale](#)

[2.5 Summary of Players □ Opinions on the Project](#)  
[2.6 The Financial Situation](#)  
[3. Chapter 3 Recommendations and Conclusions](#)  
[3.1 Tangible and Intangible costs and benefits](#)  
[3.2 Matrix of Costs and Benefits](#)  
[3.3 Recommendations](#)  
[3.4 Conclusion](#)  
[ATTACHMENTS](#)

## **EXECUTIVE SUMMARY**

In October 1997, the Jordan Area Community Council (JACC), a neighborhood organization in North Minneapolis, embarked on an ambitious □House Moving□ project. Seven houses in the neighborhood were moved to make way for a new public school. The project is nearing completion in August 1999 with the sale of the relocated houses and properties. The project was made feasible through a unique partnership of the neighborhood organization, government agencies, non profits and private developers.

The house move project started with a big promise. The scale and complexity of this project were large and the determination of JACC to embark on this project is commendable. However the project resulted in strained relationships with city agencies, conflicts with associates, major financial overruns, staff and volunteer burnout, and a depletion of JACC□s NRP resources. The main issues in this project were; the process of site selection, finances and funding, coordination among the various agencies and parties, time frame for the project, and group meetings within JACC.

This report describes the pros and cons of the house moving project. It is structured in three chapters; the first chapter is a brief introduction to the project, the second chapter explains the various issues in the project, and the third chapter evaluates the project process with critical recommendations. Supporting information on the contracts, financial spreadsheets and statistics can be found in the attachments.

### **1. Chapter 1: Introduction to JACC and the School Site House Moving Project**

This report describes in detail the process and some of the issues the Jordan Area Community Council (JACC) encountered in implementing the School Site House Moving Project. The JACC is a neighborhood organization in north Minneapolis, with the stated mission of "organizing people, knowledge, and capital for the collective empowerment of Jordan residents".

## 1. *Introduction*

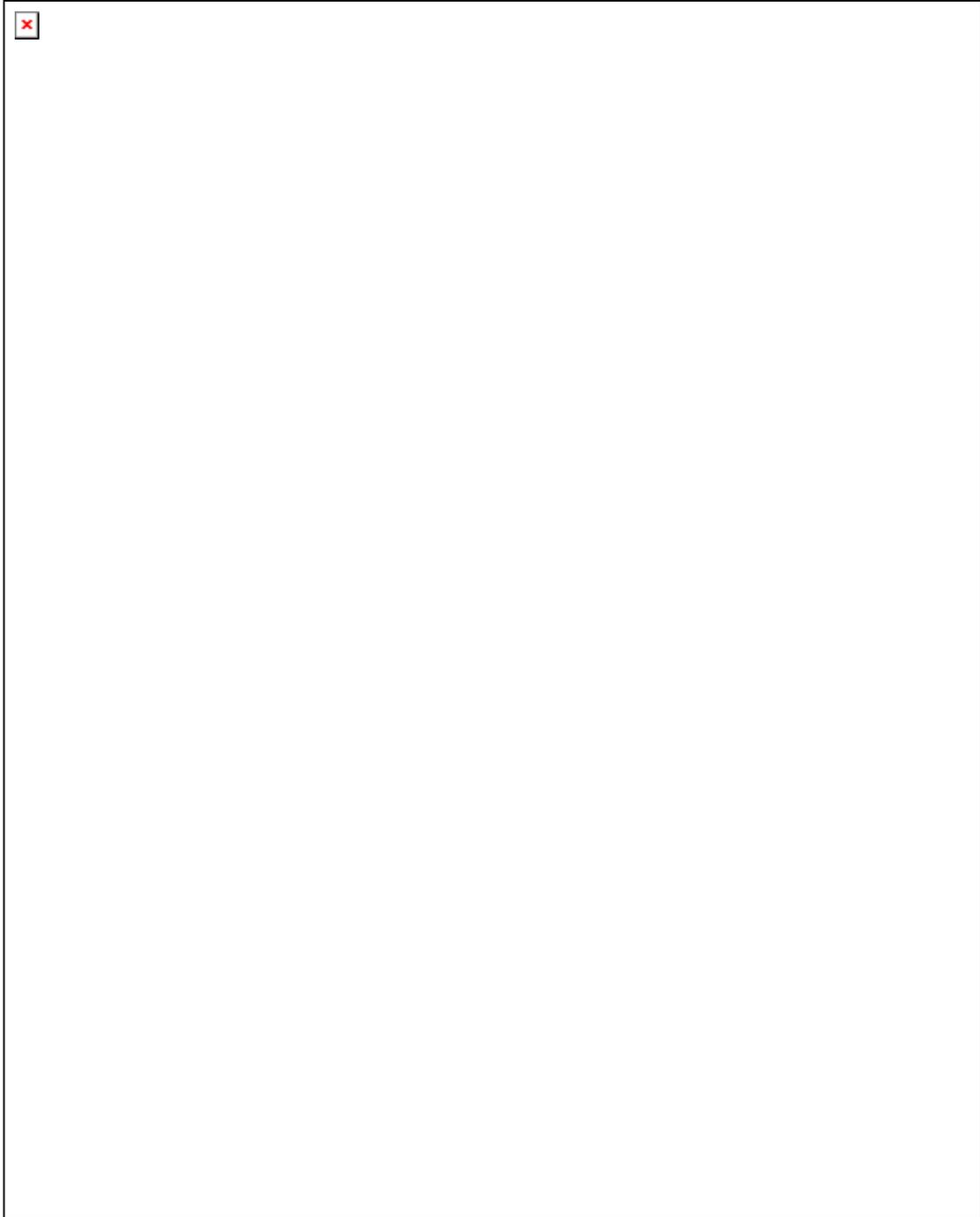
Jordan's boundaries are defined as the areas enclosed by Lowry, Emerson and West Broadway Avenues in North Minneapolis. The total population of Jordan based on the 1990 census is 7,752 and the number of households are 2,713.

The JACC has a strong commitment to organizing the community around issues defined by the community. Jordan's primary activities concerning housing are:

- Improving and maintaining housing stock
- Reducing vacant lots
- Funding loans for revitalization and
- Encouraging home ownership

To operate, JACC does both formal and grass roots fundraising. In addition to the issues, work that is central to JACC's existence as a community organization, JACC is involved in activities such as Neighborhood Watch, Block Clubs, a monthly newsletter and a bi-monthly flyer.

One of the key community issues taken up by JACC in 1998-99 was the School Site House Moving Project. This project was the first of its kind for both JACC and the City of Minneapolis that brought about many challenges and mixed responses. This is explained in detail in the remaining document. Also refer Attachment B for regional and surrounding maps of the Jordan neighborhood.



**Figure 1: Jordan neighborhood location map**

1. ***The School Site House Moving Project***

The School Site House Moving project in Jordan was initiated in October 1997, when the Minneapolis Public Schools (MPS) announced its intention to build a school (K-8) in the Jordan Neighborhood.

The proposal brought in a great opportunity for the neighborhood in terms of addressing problems of properties located within and near the school site, improvement in the quality of life, and the benefits of a school in close proximity for its residents. However the primary issue was the availability of space for a project of this magnitude. A feasibility study was done by a professional architecture firm (The Kodet Architecture Group), for the MPS and it was estimated that in term of space, a minimum of one block in the neighborhood would be required.

The location chosen for the project was in proximity to the Jordan Park, between 29<sup>th</sup> and 30<sup>th</sup> Av. N; and Irving and Humboldt Avenues. The rationale for choosing this site was its proximity to the park, which could now be better used when the school is finished. (See figure 1 for location on map.)



**Figure 2: The house move in progress**

## **2. *Initial budget and purpose of the project***

Once the school site was determined by the neighborhood, it meant twenty-nine houses would be demolished. The option to move houses taken up by JACC resulted in the moving of seven houses. The initial estimates and funding

sources established in the beginning stages of the project in March 1998 was as follows:

**Expected actual costs**

\$ 2,264 to purchase land

\$ 26,000 to move each house

\$ 62,000 to put in new basements, with utilities

**Total costs** \$ 90,664 per house X 7 (No. of houses)

\$634,648 +\$100,000 (Additional expenses)=\$734,648

**Expected Revenues**

\$250,000 from sale of houses

\$ 90,000 from contractor/recovered costs

\$200,000 NRP Action Plan

**Total Revenue** =\$540,000

**Total deficit** =\$194,648

**Funding available**

\$125,000 from NRP GO Bond

\$ 80,000 from revenue generated through lots sold

\$111,000 Hennepin County NRP

**Total available** (if required) ` =\$316,000

The surplus budget was ambitious and the project finances did not turn out the way JACC expected. Initial estimates went wrong and many overhead expenses were not taken into consideration. NRP money was the prime source for funds. This meant that funding for other housing work in the Jordan neighborhood was ignored as the School Site House Moving project took all the effort and money. The financial overruns and lapses are explained in chapter two. (Refer attachment C for detailed financial spreadsheets prepared by Northside Neighborhood Housing Services and initial budget estimates by the consultant/contractor, Will Bartruff.)

**1. Chapter 2: The Project Process**

The new school site will require the relocation, and or demolition of 29 houses and their related garages. This was needed to be done in a short time frame of three months.

Through a unique partnership of JACC, non-profits, government agencies and developers, 10 houses were moved to make way for the new public school. The houses were moved to new lots in the Jordan neighborhood, from 2900 blocks of Humboldt and Irving Avenue. The initiative to save the homes, a priority for JACC is based on its stated housing objectives to improve the housing stock and reduce the number of vacant lots in the neighborhood.

The houses vary in size from large □four square□ style full two story houses to one and a half story bungalows, to small one story two bedroom houses. The block make-up that is common in the Jordan neighborhood leads a distinct advantage when moving houses. Certain housing styles need not have to be matched to specific lots or style of blocks.

The houses in the new school site were rated from 1 to 4 stars, based on their characteristics, viable for house moves.

4\* rating, would indicate significant houses in good condition with substantial construction detailing. Most of these are the larger houses.  
3\* rating, indicates houses that are perhaps in a not as good condition, but still have the scale and value enough to make moving them viable.  
2\* rating, indicates are smaller and in worse condition, that are not very suitable for house moves.  
1\* rating, indicates the lowest rated house, mostly because of size and condition.

The houses were rated in this manner and a decision to move certain houses were made after focus group meetings.

Initially the cost to move each home was estimated at \$ 50,000 and included construction of a new foundation, basement featuring egress windows, and ten-foot high ceilings. Inspections were to be conducted by the Minneapolis Inspection Department, the Minneapolis Lead Program and the Center for Energy and the Environment. New furnaces, hot water heaters, windows, and adequate insulation were to be installed. Approximately \$10,000- \$20,000 in home improvements were suggested for each home, including landscaping on all new lots. The economics of this is that it was initially suggested to market the homes to a variety of income levels starting near \$70,000. The initial schedule for the project completion was mid-October 1998. (Refer Attachment D for the Memorandum of Understanding reached between JACC, MPS and the MCDA for this project.)

## **1. *The Main Issues in the Project***

The main issues in this house moving project can be pinned down to the following:

- Site selection and process, for the new school
- Finances and funding for the house moves and home improvements
- Coordination between funding, implementing and overseeing agencies
- Time frame for the project
- Focus group meetings within JACC

### 1. **Site selection process**

The main players in the site selection for the new school were the Minneapolis School Board; the agency responsible for the four new schools planned for the North side, of which Jordan was one, and The Kodet Architectural Group Ltd.; the architects chosen for the school project, besides JACC. The issue of making a decision for the site was brought forward in the JACC Annual Meeting held on October 30<sup>th</sup>, 1997.

After two focus group meetings on November 3<sup>rd</sup> and December 13<sup>th</sup>, and based on the study by the Kodet Architectural Group, an estimate for the cost of acquisition and relocation was done by MCDA. The estimated cost was approximately \$6.4 million.

The rationale for choosing this site was that it was close to the Jordan park which can compliment the school. However some basic questions still remained unanswered in the focus group meetings regarding the school and site selection. The questions were:

- Why build a school
- Why make such a quick decision
- Could other spaces in Jordan be considered

### 1. **Finances and Funding**

The finances and funding is the single most important aspect in this project. Will Bartruff, the consultant, initially estimated that the cost involved per property would be in the region of \$50,000. The MCDA on the other hand estimated that it would cost \$189,000 to move a house. Both the estimates

seemed unrealistic. The actual costs estimated were to be \$90,000 per property, with an additional \$100,000 in overhead expenses. This figure affected the decision on the number of houses to be moved. Jordan decided to restrict itself to seven houses. Will Bartruff personally obliged to move the other three.

Through this project JACC was expected to get back \$250,000 by selling these houses, and \$90,000 from Will Bartruff the main contractor, for the other three houses moved. The NRP Action Plan would give JACC \$200,000. This however still put JACC short of fund by approximately \$193,000. JACC identified two sources to generate this money. They were; the General Obligation bond allocation through the Jordan NRP Action Plan; and revenue from prior Jordan activity (lots sold in the neighborhood). Together this would amount to \$205,000, which would account for the deficit. A third source was identified through the Hennepin County NRP. However during the actual implementation of the project these figures did not hold true. This is discussed in detail in the section on the financial situation. (Refer Attachment C for more details.)

## **2. Coordination between funding, implementing and overseeing agencies**

The project by its nature, brought about and required a unique partnership of the community, its representing neighborhood organization, non-profits and government agencies. The project involved government money and land. Private developers were involved in developing the houses and selling it for profit.

The dynamics as in most projects of this scale, involving many players, has its ups and downs. In this project as well, a lot of emotions and ill feelings, and reputations were at stake. The City Authorities feel that they were not consulted in the initial stages. JACC feels that the City is against house

moves in principle. The contractors failed to acknowledge their initial lack of understanding of the project. The developers have a problem with the lack of a professional approach by JACC. These are some of the general feelings about the dynamics among the players. This however cannot discount the fact that all the players have arrived at some consensus on the different issues, to achieve the goal of seeing this project through. This has successfully brought this project to near completion.

### **3. Time frame for the project**

Thought about the School Site House Moving project began as early as October 1997. The decision to go ahead with this proposal was taken in Summer 1998. The Minneapolis Public Schools (MPS) came up with a challenging schedule to have the school ready for Fall 1999. This gave JACC very little time to make a thorough analysis and research into □House Moves□ before jumping into this decision.

Actual work on the House Moves began in August 1998. The project was expected to be wrapped up in eight months, which was March 1999. Unforeseen events, financial miscalculations besides unawareness of the complexity of this project forced JACC to extend this project indefinitely. The final deals on the houses are currently being done and the project is expected to be wrapped up shortly. This tentatively means a project time line of twelve months.

### **4. Focus group meetings within JACC**

The Focus Group meetings in JACC are the main forum for final decision making. The whole community is invited to attend meetings on issues concerning the neighborhood. For the School Site House Moving project, three Focus Group Meetings were organized on October 27<sup>th</sup>, 28<sup>th</sup>, and 29<sup>th</sup>, 1998 to arrive at a decision on the House Move.

The participation in these meetings organized by JACC was poor and an average of ten to fifteen people attended each of these meetings. These include the office bearers and staff at JACC.

1. ***Details of houses moved and project tasks***

The following list shows the details of the ten houses that were actually moved. The houses were moved and redone by the agencies mentioned. Will Bartruff the main contractor and consultant for the project, initially bought three houses from JACC, leaving seven houses for JACC to rehab and sell. NNHS and the Mason Group, are the developers of the other houses.

<b>From address</b>	<b>To address</b>	<b>Agency(s) involved in sale</b>
2947 Humboldt Ave. N	2819 Emerson Ave. N	JACC, Will Bartruff
2930-32 Humboldt Ave. N	2823-27 Emerson Ave. N	JACC, Will Bartruff
2946 Irving Ave. N	2650 Girard Ave. N	JACC, NNHS
2954 Irving Ave. N	2700 Girard Ave. N	JACC, NNHS
2907 Humboldt Ave. N	2707 Girard Ave. N	JACC, Mason Group
2900 Humboldt Ave. N	2717 Girard Ave. N	HOW Program
2948 Humboldt Ave. N	3023 Girard Ave. N	JACC, Will Bartruff
2934 Irving Ave. N	2810 Humboldt Ave. N	JACC, Mason Group
2918 Humboldt Ave. N	2704 Humboldt Ave. N	JACC, Dartell Lipscomb
2942 Irving Ave. N	3016 Irving Ave. N	JACC, NNHS

This project involved many technical and management skills. On behalf of JACC, the Executive Director and the Housing Coordinator were involved in the day to day management and overseeing of the project. The table below explains sequentially, the tasks accomplished in the project process. The table explains the task, its major components and the agencies responsible for accomplishing the specific task. The tasks were completed over a twenty-four month schedule.

Task	Agency
<p><b>1. Evaluation of Houses</b></p> <p>Determine which houses could be moved Value, market price before and after cost of move Feasibility to move</p>	<p>Appraiser Semple Movers</p>
<p><b>2. Determine sites for relocation</b></p> <p>Minimum size Accessibility to site Determine potential routes</p>	<p>Inspectors, MCDA, JACC Mover, Mover, Forestry, Utilities</p>
<p><b>3. Financing</b></p> <p>Obtain bridge loan Lot purchase Actual house Move New foundation, excavation and back-fill Disconnect and reconnect all services Other code compliance, landscaping End financing for new home buyer</p>	<p>JACC, FNB Mason Group</p>
<p><b>4. Hire Mover</b></p> <p>Assess track record of mover Check availability and cost Negotiate cost and contract Sign contract Determine the best fit site for each house</p>	<p>JACC JACC and Mover JACC and Mover JACC and Mover</p>
<p><b>5. Obtain house</b></p> <p>Hire mover (according to MCDA regulations) Submit bid Acceptance of bid (constitute sale to mover) Signing; moving; Contract</p>	<p>JACC Mover Mover and MCDA</p>
<p><b>6. Moving Houses Part 1</b></p> <p>Excavation of new site Determine depth of new basement Obtaining all permits</p>	<p>Excavator and Mover Mover and JACC Excavator Inspections Mover</p>

Remove basement and site clearing Code compliance inspection Raise House	
<p><b>7. Moving Houses Part 2</b></p> <p>Side lot house or pull directly out Trim trees/ remove if necessary Line removal Permits required and obtained, paid in advance</p>	<p>Move Forestry</p> <p>NSP/ Paragon/ US West</p> <p>JACC/ Mover</p>
<p><b>8. Moving Houses Part 3</b></p> <p>Streets marked 2 days in advance of the move day Actual Move- houses loaded on wheels, made ready for pull Houses moved to new location In new location- house lifted Put on cribbing and wheels removed</p>	<p>Mover Mover Mover Mover Mover</p>
<p><b>9. Basements</b></p> <p>Obtain permits Lay footings (day 1); allow to dry (day 2) Begin block placement of building footprint Connect utilities; water, sewer Hire basement contractors Install egress windows Put new sill cap and vapor barrier Drop house into position Tuck point I-beam holes Nail old sill to new sill and bolt Begin backfill and install drain tile Grade site to top of egress window cans Finish backfill at old house site</p>	<p>JACC or Contractor Contractor Contractor Plumber JACC or Contractor Contractor Contractor Mover Contractor Contractor Excavator Excavator Excavator</p>
<p><b>10 Code compliance completion</b></p> <p>Hook up services Hire electrical contractor (Furnace Co.) Elect. Contractor to pull permit Determine feasibility of old system Hire company for furnace installation</p>	<p>JACC, Electrical contractor Electrical Contractor Electrical Contractor Furnace contractor</p>

Furnace company to obtain permit Determine type of furnace Complete furnace installation Furnace arranges reinstall or Minnegasco	Furnace contractor Furnace contractor Furnace contractor Furnace contractor
<b>11. Other issues</b>  Landscaping Interior painting, repair and finishing	Master Craft Mason Group, NNHS
<b>12. Finish Houses</b>  Code Compliance Rehab Accounts and audit	MID, Mason Group, NNHS, JACC JACC, NNHS
<b>13. Sell Houses</b>  Purchase MCDA property Marketing houses Loans and Purchase programs	MCDA, FNB, NNHS, Mason Group and JACC, NNHS

### 1. *The Key Players in the Project*

The relocation of homes in the Jordan neighborhood to make for the new public school was made possible through a collaboration between the following community organizations, non-profits and government agencies. The figure below explains a complex web of interrelationship between the various agencies.

Figure 3: A complex web of interrelationships

- **Jordan Area Community Council (JACC)**

Jordan Area Community Council (JACC) is the grassroots neighborhood organization that represents the residents of Jordan neighborhood. The figure on the next page shows the organizational structure of JACC

Figure 4: JACC Organizational Chart

- **Minneapolis Community and Development Agency (MCDA)**

MCDA is the development arm of the city government. MCDA purchased the lots located at the school site on behalf of Minneapolis Public Schools. Homes moved from the site will be relocated on vacant MCDA owned properties and sold for redevelopment.

- **Neighborhood Revitalization Program (NRP)**

A program started by the city of Minneapolis, to develop and implement a 20 year plan in each neighborhood. Jordan's current housing plan was developed around this and will be funded partially by NRP funds. The NRP helped facilitate the partnership that made this project possible. In addition NRP financed demolition and clearing of the lots to which the homes are being moved. (Refer Attachment E for NRP Action Plan contracts for JACC.)

- **Northside Neighborhood Housing Services (NNHS)**

Northside Neighborhood Housing Services is a non profit organization that administers Jordan's loan programs. NNHS has provided services such as mortgage counseling and lending to residents displaced by the new Jordan School. NNHS will market the relocated homes, provide home ownership assistance and purchase or rehab opportunities for home buyers. (Refer Attachment E for letter of understanding between JACC and NNHS)

- **Minneapolis Public Schools**

Minneapolis Public Schools (MPS) is the city agency concerned with the local education system. The MPS initiated the decision to build a K-8 school in the Jordan Neighborhood. The school is scheduled to start functioning in Fall 1999.

- **Mason Group and D.C. Thayer Construction**

Mason Group and D.C. Thayer Construction partnered with JACC to purchase and redevelop up to thirteen houses initially. It is now doing the same for three of the total seven houses moved.

- **Minneapolis Inspections Division (MID)**

The City's Inspection Division will conduct inspection of the homes before relocation occurs. Each house will comply with the Housing Maintenance Code before it is placed on the market.

- **Contractors**

Project Coordinator Will Bartruff, the main general contractor and consultant was hired by JACC to coordinate the whole project. Semple Movers were the main contractors responsible for the actual house move and excavation. Hendrickson for basements and slabs, Mike Kirk for carpentry, Master Craft for landscaping and RJ Miller for plumbing.

- **Minneapolis Lead Program**

The Minneapolis Lead Program will address any lead hazards present in homes relocated. The City's 10,000 Windows program will line or replace existing windows covered with lead based paint and work with contractors to address other interior and exterior lead hazard issues.

- **Franklin National Bank**

The bank in Minneapolis that extended a line of credit for this project.

1. ***The Process on a Time Scale***

The table below explains the timing of the major events in the project life cycle. Though the project was initially scheduled to be completed in six months, it has finally ended up taking twenty-four months since the idea was first put forward.

<b>Month/Year</b>	<b>Major Event(s) in project cycle</b>
October/ 97	Idea first mooted
January/ 98	Meeting in JACC to explore issues
March/ 98	MPS appraisal of the project completed JACC's Discussion with MCDA
April/ 98	JACC discusses project with NNHS and SNHS
May/ 98	Discussion on finances and funding-NRP MCDA relaxes code compliance for houses to be moved
June/ 98	Will Bartruff hired as contractor/ consultant for the project Victor Raymond (Executive Director for JACC) and Will Bartruff meet with moving companies Minneapolis Lead Program to do 10,000 windows Developers, The Mason Group involved in the project.

July/ 98	NRP give green light signal, initial funding solved MCDA requires complete □code compliance Confusion on the process of □'Title Transfer' of the properties. JACC and MCDA engaged in intense discussion over the month.
August/ 98	The □House Move□ completed in two weeks MCDA has reservation on Will Bartruff□s ability to complete the project Project Appraisals to be completed for this period not completed by JACC JACC signs purchase agreement with The Mason Group
September/ 98	JACC realizes the bad financial situation as the bills come in, paying up becomes the main issue Will Bartruff moves 3 houses at his cost Problems with □entry permits□ into the new sites NNHS is involved by JACC to manage finances
October/ 98	MCDA to purchase 2717 Girard under the Home Ownership (HOW) Project NRP requires a new drafted plan for proposed additional funds Focus group meetings within JACC to take stock of the situation
November/ 98	Executive Director in JACC leaves on vacation as issues get complicated Char Perry, the new Housing Coordinator takes over the coordination of the House Moving Project
December/ 98	House Moving Task Force meet with staff of NNHS for action on finishing the project
January/ 99	NRP Money comes through NNHS agrees to work with JACC on this project, accept to work without fees Documentation required by NRP from JACC for additional funds is delayed
February/ 99	Fallout with the Mason Group as MCDA requires them to sign a Redevelopment contract Work in progress on finishing the project
March/ 99	Mason Group threatens to sue JACC Mason Group issue solved by JACC reducing the sale price by \$2000 per property

March to August /99	Progress on the finishing of the project. Closure and sale of all the properties expected
---------------------	---

2. **Summary of Players** □ **Opinions on the Project**

Over the period of eleven weeks, during which the documentation of this project was done, the key players and organizations involved in this project were interviewed. This was to understand the particular organization's or individual's view on the process and outcome of the project.

The questionnaire format chosen was generic and open ended so as to get more comments without bias. A sample questionnaire is shown in the figure below. Refer attachment G for interview summary sheets.

INTERVIEW SUMMARY OF KEY PLAYERS IN THE JACC SHOOL SITE HOUSE MOVING ROJECT

Name	Organization
What is your role in this project	Comments
Did you experience any difficulty in implementing your part. Explain	Comments
What do you think are the achievements and shortcomings of this project	Comments
How could the project have been done otherwise	Comments
How important do you think the project is for JACC as a neighborhood organization	Comments

**Figure 5: Format of interview questionnaire**

The comments from the interviews were analyzed and compared as it had exposed different angles to the same issues, expressed by different persons. This formed the main basis for the recommendations explained in the next chapter.

### 3. *The Financial Situation*

The financial situation is based on an analysis of the spreadsheets worked out by NNHS. The following is the financial summary as on March 31, 1999. (Refer attachment C for detailed spreadsheets.)

#### Costs

House Move Expense (10 houses, 3 of Will Bartruff's) =\$ 241,196.27  
Rehabilitation costs =\$ 516,283.59  
Total JACC obligation = **\$ 776,133.86**

#### Revenues

Sale of properties =\$ 226,000.00  
Miscellaneous =\$ 93,851.00  
Total revenues = **\$ 319,851.90**

Grand total Gap Obligation = **\$ 456,281.96**

#### Funding sources

NRP Plan 6/98 =\$ 200,000.00  
GO Bond Funding =\$ 125,000.00  
Other revenues =\$ 80,000.00

#### **Summarized project proforma**

Acquisition GAP \$ 400,906.16  
Property Acquisition \$ 246,000.00  
Garage & Slab/Drive \$ 84,000.00  
Rehabilitation costs \$ 389,518.00  
Contingency \$ 47,351.80  
Appliances \$ 10,500.00  
Window blinds/ cleaning \$ 4,550.00  
Marketing \$ 15,189.00  
Appraisal \$ 2,275.00  
Points \$ 4,270.00  
Interest during construction \$ 24,500.00  
Property taxes \$ 0.00  
Closing costs \$ 15,400.00  
Insurance during construction \$ 6,300.00  
Utilities during construction \$ 6,300.00  
Maintenance \$ 2,100.00  
Developer's fee \$ 56,000.00  
Total **\$ 914,253.80**

## **Property Average =\$ 130,607.69**

The total figures nearly touch the one million mark. The property average of \$ 130,607.69 is approximately \$ 40,000 more than the figures established in the initial budgets. The major overruns can be pinned down to the following three factors:

- The high interest paid during the construction phase
- The high closing costs as there was a misunderstanding on the titles and properties and
- Under estimation of consultant and developers fees

The recommendations in the next chapter explain some of the lessons learnt from this experience and what best could be done to avoid such miscalculations.

### **1. Chapter 3 Recommendations and Conclusions**

The timeline for the project indicates that JACC will sell the remaining properties and houses shortly, which will bring the project to a close. It is important at this stage to take stock of what has been achieved in this project. The single most dominating issue in this project is the financial management. The fact that the project cost approximately 95% more than its original estimate is overwhelming. The shortcomings, and how the project could have been done better is discussed in this chapter.

#### **1. *Tangible and Intangible costs and benefits***

While taking stock of the project from an objective standpoint, it is important to understand that this project involves both tangible and intangible costs and benefits. An intangible cost or benefit is that which cannot be quantified in the literal sense. For example, an

intangible benefit of this House Move Project, is that it improves the quality of the neighborhood, through a retention of the better housing stock. Although these intangible entities cannot be expressed in figures, its value cannot be dismissed.

The next section explains in a concise manner some of the tangible and intangible costs and benefits of the House Move Project. For technical purposes, the returns JACC gets from this project is the difference between costs and benefits.

(Returns = Cost - Benefit)

In this case returns cannot be quantified as intangible entities are involved.

The latter half of this chapter discusses some recommendations on how the project could have been done better. This is based on an analysis of chapter 2. It is intended to be a summary of lessons learnt through this experience. The recommendations are meant to be used as a checklist for other similar projects.

## 2. *Matrix of Costs and Benefits*

With the project nearing an end, the returns of this project from JACC's perspective can be technically measured as:

$$\text{Returns} = \text{Costs} - \text{Benefits}$$

### Costs

Tangible	Intangible
<ul style="list-style-type: none"> <li>• Monetary \$ 776,133.86 (3/10/99)</li> </ul>	<ul style="list-style-type: none"> <li>• JACC's reputation with various agencies and contractors</li> </ul>
<ul style="list-style-type: none"> <li>• Services</li> </ul>	<ul style="list-style-type: none"> <li>• Jobs</li> </ul>
<ul style="list-style-type: none"> <li>• Time</li> </ul>	<ul style="list-style-type: none"> <li>• Over time</li> </ul>
	<ul style="list-style-type: none"> <li>• Bad vibes</li> </ul>

	<ul style="list-style-type: none"> <li>• Personal losses</li> </ul>
--	---

**Benefits**

<b>Tangible</b>	<b>Intangible</b>
<ul style="list-style-type: none"> <li>• NRP Money</li> </ul>	<ul style="list-style-type: none"> <li>• Better neighborhood</li> </ul>
<ul style="list-style-type: none"> <li>• Close property from MCDA</li> </ul>	<ul style="list-style-type: none"> <li>• Retain traditional housing stock</li> </ul>
<ul style="list-style-type: none"> <li>• New school in neighborhood</li> </ul>	<ul style="list-style-type: none"> <li>• Vacant lots filled</li> </ul>
	<ul style="list-style-type: none"> <li>• Park better used now, with the new school in close proximity</li> </ul>
	<ul style="list-style-type: none"> <li>• Jordan's credibility with commitments</li> </ul>
	<ul style="list-style-type: none"> <li>• Experience in implementing a project of this scale and nature</li> </ul>

1. **Recommendations**

The recommendations are based on an understanding of the project over a time period of eleven weeks. Though the report is prepared on behalf of JACC, the comments are objective for the purpose of learning through this process.

The previous chapter explains in detail the Site selection process, Finances and Funding, Coordination between funding, implementing and overseeing agencies, Time frame for the project, Focus group meetings within JACC, Details of houses moved, The Key Players in the Project, Summary of Players' Opinions on the Project, and The Financial Situation. With an understanding of the prime issues in this project, the following are some recommendations on how the project could have been done better.

- **Recommendation # 1: Establish clear rationales for House Moves**

The most important decision in House Moving projects of this nature is to establish a proper rationale for the project in totality. Questions as to who stands to gain and at what cost, house moving versus building new should be answered specifically, probably in an annual meeting.

- **Recommendation # 2: Preliminary analysis of pros and cons of the project**

Need for a thorough preliminary analysis of pros and cons of the project. Clearly defining the scope of the Jordan House Move Project, financial implications, and effort required in terms of personnel and technical skill needs to be assessed prior to starting the project.

- **Recommendation # 3: Action Plan**

Need for a clear action plan before embarking on the project. Prior to beginning this project, a project report with an action plan, would have given JACC a better understanding initially. Ideally the action plan report should consist of:

1. Aims and Objectives.
1. Background to the project, and analysis of key agencies involved.
1. Strategies needed to achieve the aims and objectives
1. An Implementation Plan
1. A project time-line.
1. Budgetary analysis

- **Recommendation # 4: Background research and case studies**

Need for proper background research on issues relating to the project. A good direction for Jordan would have been to have done some case studies of similar projects done recently in this region. The Rondo Community Trust in St. Paul, has established a good record of successful House Moves.

- **Recommendation # 5: Evaluation Criteria for houses to be moved**

Proper Evaluation Criteria for House Moves. Often the decision to move a particular house becomes quite arbitrary, although it may sound convincing logically. It is important for Jordan to evaluate the particular house under consideration for the move against a fixed set of guidelines. The following is a checklist of evaluative criteria that could help in assessing this. The particular

house can be graded in terms of each of the entities and its final value can be computed, which can establish the rationale to move.

1. Age and Condition (Both interior and exterior)
1. Total Area (An area below 2000 sq. Ft. is not normally economically feasible to move)
1. Value (Present market value)
1. Aesthetic value (Architectural qualities, and level of detailing)
1. Quality of mechanicals and other services
1. Structure (Ability to last over time and withstand stresses during the move)
1. Cost to refurbish the house

- **Recommendation # 6: Greater role for the House Moving Task Force**

The House Moving Task Force should remain functional and coordinate the main decision making of the project. This would facilitate greater transparency and a wider range of opinions. In this case the Task Force was not actively involved in the decision making, it was mainly endorsing the decisions made

- **Recommendation # 7: In-house staff dedicated to the task**

An in-house person needs to be dedicated to the task of liaison and coordinating the various players in the project. This should be done by either the Executive Director or Housing Chair and not outsourced to other agencies as Northside

- **Recommendation # 8: Better initial understanding of governmental procedures**

Thorough understanding of regulations (MCDA) prior to beginning the project. This could be achieved by a proper consultation with the overseeing authorities in the project planning stage.

- **Recommendation # 9: Leverage professional help available in the Twin Cities area**

Leverage the professional know how of the MCDA and other organizations such as NPCR and CURA. Project analysis, estimates and an action plan could be drafted through these sources.

- **Recommendation # 10: Explore other sources of funding.**

The most important alternate source of funding would be through involving private developers. Private developers if given sufficient incentives would implement the project better and sell quickly. This would save JACC its NRP money and achieve its stated objective of creating a better neighborhood.

- **Recommendation # 11: Alternate project processes**

Discuss with the MCDA and NRP for planning incentives to private commercial or retail developers. If the same principles of the School Site House Move could be implemented on a commercial basis, more vacant lots could be filled and the neighborhood could generate more retail and small commercial activity, within it, thereby improving the economy and quality of the neighborhood.

- **Recommendation # 12: Strengthen Focus Group Participation.**

The Focus Group Meetings that endorse and give the green light signal to projects within the neighborhood need to have greater attendance. This can be achieved by possibly organizing Focus Group Meetings with other interesting activities as block parties. The responses and opinions of such meetings need to be more all encompassing. Questionnaire responses and feedback after a brief presentation of the issues, will get the opinions of those who are not that vocal. This could avoid one or two people taking over the whole decision making process.

- **Recommendation # 13: Professional conduct and implementation**

JACC needs to be wary of personal relationships and Verbal Contracts. Projects of this nature and monetary size work more on a professional level. Verbal Contracts and overwhelming personal relations in this project especially with the main contractor and JACC, need to be viewed with caution.

- **Recommendation # 14: Need for clear Contracts.**

The relationship between JACC and all the various agencies and contractors need to be defined in the first place. The role of each player and obligation to the project need to be established, so that there is no clash of roles and duplication of tasks as in this case. A starting point is to have written contracts with all the players establishing their role and services in this project.

## 1. **Conclusion**

The completion of the project later this year will demonstrate JACC's resolve in taking up and finishing a project of this scale and nature. No doubt the rationale for the project is clearly established in JACC's concern to improve the quality of the neighborhood. Despite the many hitches throughout the project life cycle and the financial miscalculations, the project is being successfully completed.

The project is a first of its kind for JACC and the City of Minneapolis, and it demonstrates what can be achieved by neighborhood organizations in Minneapolis. JACC is a trendsetter in this regard. Conceptually the idea of House-Moves in Jordan is convincing, as it fulfills the prime housing objectives of the neighborhood organization.

The main problems in the School Site House Moving project were its implementation, financial miscalculations and the lack of total control by the initiators of this project in JACC. The lost opportunities include, the lack of successful public relations exercises and getting the confidence of all the concerned authorities. JACC's approach should have been to involve all the key players right from the initial stages of the project. Alternate sources, and the options of private funding remain untapped. However in the long run these shortcomings will be surpassed by the simple fact that the project has been successfully completed.

---

The lessons to be learnt from this project are many. Some of them are explained in detail in the previous section under the list of recommendations. There is scope to extend the concept of "House-Moves" into a more profitable exercise. Initiating private retail, commercial and office developments, with planning incentives on similar lines, can improve the quality of the neighborhood in Jordan considerably. This would need good public relations exercise and advertising to attract possible investors.