

UNITED TENANTS ASSOCIATION

8661 Grand River
Detroit, Michigan 48204
361-2066 - 361-0007

AUG 20 1968

Mr. William Hawkins
Community Organization Coordinator
MDCDA
1132 Washington Boulevard
Detroit, Michigan 48226

Dear Mr. Hawkins:

In response to your request, this letter is to confirm the arrangement for Urban Design Corporation to provide consulting services for the rehabilitation of existing multi-structure buildings located in the City of Detroit, for the United Tenants Association, and to work in conjunction with the Metropolitan Detroit Citizens Development Authority in developing programs pursuant to the provisions of the National Housing Act, as amended for the citizens of the community.

STATEMENT OF EXISTING CONDITIONS IN THE COMMUNITY

The physical condition of the neighborhood indicates that the community is in need of some type of remedial action to prevent or eliminate blighted conditions in the community. The principal causes of blight in the community are lack of ownership, inadequate maintenance, traffic problems, high density, lack of social and economic awareness to homemaking, budgeting, etc.

OBJECTIVES OF THE PROJECT

The measures needed to alleviate the problem of blight in the community are to make available a greater supply of housing and advocate property ownership in the format of co-operatives to low and moderate income families, and permit the residents to build equities in property which would initiate self-determination to protect the neighborhood from future blighting influences.

UNITED TENANTS ASSOCIATION INVOLVEMENT AS NONPROFIT SPONSORS

The United Tenants Association has proven to be effective in organizing and communicating with the residents of the neighborhood and has the cooperation and support of the residents therein. However, it is necessary for the entire community to be involved in the physical and social improvements that will raise the quality and standards of housing for the citizens of the community. A rehabilitation project of this size would have an immediate impact on the entire community by means of spreading citizens participation for self-determination and reinforcing the revival of the neighborhood.

The United Tenants Association's function will be that of a nonprofit sponsor--our desire is that Urban Design Corporation provide architectural, technical and consulting services to United Tenants Association and the Metropolitan Detroit Citizens Development Authority provide the necessary seed monies (on a no interest basis to defray initial project expenses) and other expertise within the framework of your organization.

SPECIFIC INVOLVEMENT OF URBAN DESIGN CORPORATION

Urban Design Corporation's activities will be directed by Mr. Aubrey Agee, A.I.A. Architect, its President. Services to be rendered include:

1. To provide consultation services in surveying the site. It is suggested that this initial undertaking should involve United Tenants Association as a 'nonprofit sponsor in a 221(d)(3) project.
2. To confer with UTA on general plan and design, general type of construction, probable time required for construction, and the approximate construction cost.
3. To provide consultation services in the program for the site including the feasibility of rehabilitation.
4. Prepare schematic studies of the building(s) and its relationship to the site and neighborhood, as it has been finally developed.
5. To provide all architectural and engineering consultation and construction supervision services, including all drawings and specifications and documents as required by the FHA for a Section 221(d)(3) rehabilitation project.

THOSE STRUCTURES TO BE REHABILITATED IN THE CITY OF DETROIT ARE AS FOLLOWS:

	Total No. of Units	No. Units Occupied	No. Units Vacant	Av. rent /unit mo.	Cond. Bldg.	Remarks
1. 1997-2003 Blaine	20	14	6	\$85.00	Poor	
2. 3044 Blaine	26	21	5	\$90.00	Bad	
3. 11340 Dexter	30	27	3	\$80.00	Poor	
4. 2020 Elmhurst	37	32	5	\$90.00	Bad	
5. 2014 W. Euclid	21	15	6	\$75.00	Poor	
6. 1676 Gladstone	33	0	33	\$70.00	Bad-Relocation Center	
7. 13816 Hamilton	29	20	9	\$80.00	Poor	

8.	1244 W. Philadelphia	60	22	38	\$75.00	Bad
9.	2611 Whitney	<u>44</u>	<u>40</u>	<u>4</u>	\$80.00	Poor
	Totals	300	191	109.		

REHABILITATION SCHEDULE

Based on 300 dwelling units to be rehabilitated.

Assume average acquisition cost per unit \$945,000.00
@ \$3,150.00 x 300 =

Total acquisition cost approximately 945,000.00

Assume average rehabilitation cost per unit 1,200,000.00
@ \$4,000.00 x 300 =

Total rehabilitation cost approximately 1,200,000.00
Total acquisition cost approximately 945,000.00
Total rehabilitation and acquisition cost 2,145,000.00

Provisions for parking, indoor, (Basement)
outdoor recreational areas and other
amenities 150,000.00

Total rehabilitation and acquisition cost 2,145,000.00

TOTAL COST OF PROJECT APPROX. \$2,295,000.00

Total cost per unit \$7,650.00 x 300 = \$2,295,000.00.

RELOCATION RECOMMENDATIONS:

No family will be displaced during the process or the duration of this project.

The tentative relocation site recommended will be 1676 Gladstone; this building is vacant and would serve as an excellent site for staging the rehabilitation of each building, and serve the purpose of a revolving relocation center.

FEEES AND EXPENSES

The professional fee for Urban Design Corporation shall be 6% (six percent) of the actual cost of rehabilitation based on actual rehabilitation and construction cost. In addition, they are to be reimbursed for all out-of-pocket expenses agreed to by the Metropolitan Detroit Citizens Development Authority.

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SCHEDULE OF PAYMENT

25 per cent of estimated fee on acceptance of this contract proposal.

65 per cent of estimated fee on completion of all drawings and specifications.

Final payment at completion of construction on each building based on actual construction cost.

URBAN DESIGN CORPORATION

UNITED TENANTS ASSOCIATION

By:

By: