Nuts and Bolts of Multi-Family Housing Development

COMMUNITY ACTION PARTNERSHIP
2019 MANAGEMENT AND LEADERSHIP TRAINING CONFERENCE
Overview

- What to think about before starting out
- Finding the right location
- Pre-development
- Financing your project
- Resources
What to ask before starting out?

- Is it needed?
- How can we finance it?
- Are we patient enough?
- Do we have the capital, or access to the capital, for start up costs?
- Can we weather the financial storms after it is built?
- Do we have the right team?
- Who will you partner with?
What to do before starting out

Run the numbers
  - Development and operating budgets
  - http://apps.urban.org/features/cost-of-affordable-housing/

Talk to existing developers in your area/state
Talk to municipalities
Talk to funders
Talk to your board(s) to manage expectations
Talk to real estate brokers
Site Selection

Start with the scoring
- See where previously funded projects are located and what they look like

What market are you looking to serve?
- Proximity to services, schools, health care, public transportation, etc.

Access to utilities
Zoning and ordinances
Environmental considerations
Additional information from municipality or consultants
NIMBYism

- Can lay waste to best laid plans (and money)
- Know the neighbors before you buy
- Choose your words carefully when speaking publically
- Talk to local code and planning
- Limit need for variances to limit potential legal battles
- Make friends who will speak out in favor
- Be ready to make concessions to appease neighbor’s concerns
- Use trickery
Pre-development

- Assemble your team (if you haven’t already)
  - Consultant, bank, architect, engineer, environmental, attorney, etc
- Work backwards from deadlines for permitting and approvals
- Get firm prices for A/E, environmental, and other costs
- Use existing designs to save cost and time
- Speak to funder(s) as your project progresses/evolves
- Seek property tax deal shortly after site control
- Site control- timing, term and price
Designing your project

- Local permitting
- Deadlines and expectations of your design team
- Operating budget
- Development budget
Financing your project

- LIHTC
- Regional Home Loan Bank
- State subsidy
- CDBG
- CRA
- State debt
- Deferred developer fee
- Covering the gaps (hard debt)
Resources

- Neighborworks
- Novogradic
- Your state’s housing authority
- IPED
- Other CAPs!