

Considerations when planning for affordable housing with the basic assumption that the project will be driven by its financial attractiveness;

Planning:

a. Select the site

1. Location with respect to schools, shopping, transportation, employment centers, recreational activities, restaurants, public utilities, etc.
2. Ground compatibility
3. Inside of municipality or outside
 - i. Higher Taxes
 - ii. Less bureaucracy
 - iii. Faster approval
 - iv. Reduced or eliminated bonding requirements

b. Define the need for housing and invest in a market study

1. Who will buy home sites or houses?
2. What is the price range of housing that can be sold in the area?
3. What would be the scheduling of sales over the next several years?
4. What future factors will affect the demand for housing?
 - i. Job growth
 - ii. Population changes
 - iii. Condition of existing housing
 - iv. highway routes
 - v. mortgage interest rates

c. Develop the master plan

1. Lot Sizes and number of lots

- i. Market considerations
- ii. Layout specs per the subdivision covenants, ie., house sizes and types, parking requirements, setbacks, common area reservations.
- iii. HUD considerations
- iv. Density versus Utility costs

2. Utility specifications

- i. Underground power, cable, telephone
- ii. Sewage size, forced or gravity flow
- iii. Water sizes of line
- iv. Natural Gas
- v. Utility Rights of Way

3. Road specifications

- i. County or Municipality Specifications
- ii. Subdivision specifications, ie., extra width, curbing, guttering, paving or concrete

4. Greenspace Specifications

5. Stormwater requirements

d. Determine the economic feasibility

1. Lot development cost

- i. Cost of raw property
- ii. Cost of utilities and roads
- iii. Size and density of lots

2. Housing construction costs

- i. Size
- ii. Type of materials in construction
- iii. Covenant requirements
- iv. Contractor Availability
- v. Stick Built versus \System Built (modular)

e. Identify Financing Alternatives

1. Project financing
2. Homebuyer financing









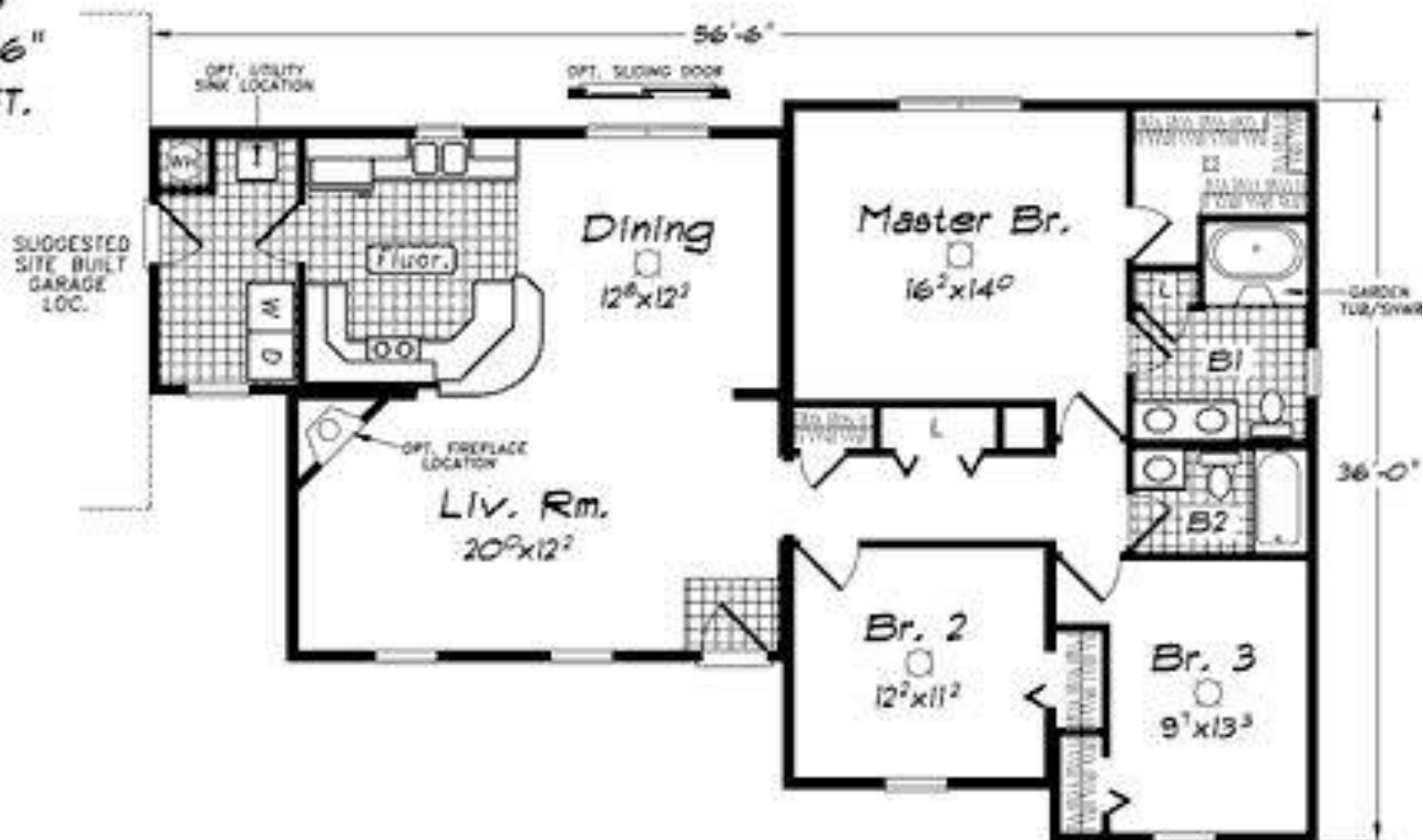
WORTHINGTON RANCH VE-TR1600

3 Bedrooms

2 Bathrooms

36'-0" X 56'-6"

1600 SQ. FT.



Implementation

a. Preliminary Engineering

1. Layout in field
2. Field inspection to determine best location of roads and utilities to reduce costs
3. Field inspection of home sites to ensure practicality of access, building pad, and drainage

b. Final Engineering

1. Field locations set for utility and road centerlines as well as offset property corners
2. Used to apply for various permits, develop bid packages for utility and road construction as well as home site deed preparation.

c. Permitting

1. Question engineering company regarding practicality and efficiency of permit applications.
2. Submit a complete permit and quickly complete required revisions
3. Develop a rapport with the environmental inspector. Do it right – no shortcuts

d. Road and Utility Installation

1. Develop Bid Packages

- i. Detailed job list, leave nothing out
- ii. Clearly define responsibilities
- iii. Define deadline and put teeth in it
- iv. Absent a performance bond, severely limit advance payments prior to work performance

2. Select Contractors

- i. Do your homework regarding past performance, client satisfaction, ability to do the job both professionally and financially
- ii. Need at least two contractors to bid and preferably three
- iii. Consider project timing and availability of the contractor

3. Submit for Bids

- i. Specified time frame to respond
- ii. Go over bid package with contractors to explain and answer questions
- iii. No caveats added to bid package by contractor

e. Develop schedule for construction

1. Based on contractor responses with about ten percent of time added for unforeseen delays
2. Order of construction
 - i. Rough roadways, drainage controls, and lot entrances
 - ii. Sewage
 - iii. Water
 - iv. Underground electrical, gas, cable, telephone
 - v. Final roadways, drainage controls, and landscaping

f. Assign project responsibility

1. General Project Overseer

- i. Full knowledge of all aspects of project, i.e., contract requirements, payment schedules, financing arrangements, project scheduling, etc.
- ii. Arranges project financing
- iii. Reviews and approves all project expenditures
- iv. Advises project field manager
- v. Periodically accompanies field manager in inspection of project

2. Field project manager

- i. Performs regular field inspections of project
 1. Quality control in regard to contract requirements and permitting requirements
 2. Project scheduling adjustments
 3. Invoice approval per contract requirements
- ii. Assesses need for change orders
- iii. Coordinates activity of various contractors
- iv. Makes field approvals regarding contractor's work per requirements of contract

g. House Construction

1. Compliance with subdivision requirements
2. Mechanism to ensure compliance, i.e., bond, contract, lien, etc.
3. Staging area for raw materials
4. Litter, trash, noise control

h. House sales

1. Real Estate Agency
 - i. Usually absorbs six percent of sale price and can be as much as twenty or thirty percent of your profit.
 - ii. Advantage of listing services and more rapid sales
2. In house sales
 - i. WV law requires either a realtors license or for sale by owner
 - ii. Greater amount of profit realized
 - iii. Longer time period to sale house or homesite