The Housing Assistance Council is a national nonprofit that supports affordable housing efforts throughout rural America. Since 1971, hackers provided below market financing for affordable housing and community development, technical assistance and training, research and information and policy formulation to enable solutions for rural communities.

Thank you for joining today's webinar. This is the first of a three part series on subdivision development. Developing subdivisions is a complex undertaking that your hair is both a vision of what is possible and I for detail throughout the entire process.

In today's 90 minute introduction to subdivision development, we will address the development timeline, site selection criteria, assembling your development team, designing lots that meet the needs of the community and residents, and the importance of a long term marketing strategy.

Thank you to USDA rural development and the rural Capacity Development initiative for sponsoring today's event.

Today's speaker is Earl Pfeiffer. Earl served as executive director of Florida Home Partnership from 1997 until his retirement in 2018.

Here's a vision that each term should be built not to look like affordable housing, but indistinguishable from market rate homes.

Earl's background is an Imperial professional engineering, having worked as a field manager for several
large civil projects including subdivision development, water and wastewater treatment plants. He's a third generation home builder and has worked over 35 years in the construction industry.

00:01:40.660 --> 00:01:50.860
Stephanie Nichols
Or else involved in community development planning and management. And he’s developed 10 subdivisions with the total of 1000 plus lots in addition to an 80 unit townhouse development in Plant City.

00:01:52.180 --> 00:01:58.250
Stephanie Nichols
We'll serves on the National Rural Housing Coalition forward and has served as Vice President of the National Rural Self Help Housing Association.

00:01:59.000 --> 00:02:07.450
Stephanie Nichols
He also works as a consultant for the Housing Assistance Council and he owns and operates Colorado Mountain Land Office, real estate broker brokerage in Colorado.

00:02:09.310 --> 00:02:17.120
Stephanie Nichols
Now I'd like to hand the webinar over today Speaker Earl Pfeiffer and our moderator, Vickey Stratton. Housing is specialist Housing Assistance Council.

00:02:21.210 --> 00:02:25.260
Earl Pfeiffer
Good morning all. Glad to see so many folks here this morning.

00:02:25.860 --> 00:02:33.450
Earl Pfeiffer
Umm, I wanted to let you know that I am broadcasting from Colorado and.

00:02:34.390 --> 00:03:00.500
Earl Pfeiffer
I am on Starlink, I'm in Rocky Mountain. So Starlink is the best thing we've got going and he's parts of the hills here. And if I may freeze up a little, Please be patient because I will get back to you really quickly once I start with the PowerPoint, I will go off camera to expand my bandwidth a little bit to make sure my voice carries well. So with that, vickey, did you have any opening comments or observations?

00:03:03.930 --> 00:03:31.580
Vickey Stratton
Good morning everyone. I was just gonna reinforce what Earl had said. So glad to have everyone here today, and I just wanted to make a note that whether you're looking to build a tin family subdivision or 100, because this looks like a lot right here that you're looking at when you're so just know that this webinar is for you, whether you're doing 10 or 100 or 500. So we’re trying to bring it on down to the levels that you need it to be.
Vickey Stratton
So that with that back to you, Earl.

Earl Pfeiffer
OK, we have a poll question did.

Earl Pfeiffer
Wanna put that poll question out now we're just to help me and my process here. I'm trying to understand which state everyone is from.

Earl Pfeiffer
And so if you can put that information in, that would be great.

Earl Pfeiffer
Got a pretty good cross section of people here today, which?

Earl Pfeiffer
Brings us into all different climate zones, which makes doing this on a national level quite fun.

DJ Stephens (Guest)
I I.

DJ Stephens (Guest)
Yeah.

DJ Stephens (Guest)
Like, I'm not sure.

Earl Pfeiffer
Alrighty.

Earl Pfeiffer
I'm going to go off camera here and we'll get started.

Stephanie Nichols
You wanna hit take control, Earl?
Earl Pfeiffer
That would be a good idea. Yes, thank you.

Stephanie Nichols
You're welcome.

Earl Pfeiffer
OK.

Earl Pfeiffer
This first subdivision is that I'm showing here is a subdivision that I completed while I was at Florida Home partnership. It was called by you Pass Village phase three. It's 166.

Earl Pfeiffer
Single family lots. You can see the sketch on the left and the completed development, maybe with the exception of one or two homes on the right.

Earl Pfeiffer
As was mentioned in the introduction, we're going to be doing 3 sessions today as an Overview subdivision overview, we'll go kind of from soup to nuts. Just cover a lot of ground and then the next two sessions on May 11th and May 25th will be the nuts and bolts of subdivision development.

Earl Pfeiffer
Now concept through land closing on May 11th and then our our final session will be land acquisition through completion on May the 25th.

Earl Pfeiffer
I've been out in the field for a long time, I think, Stephanie said. 35 years I did, I did. I did the math and checked it out and it's actually.

Kevin (Guest)
Right, that it would, it would be.

Kevin (Guest)
Doing drawings for the.
Umm I have been doing this for over 44 years. I have a first six years I spent doing field work as paraprofessional engineering.

00:06:27.230 --> 00:06:41.300
Earl Pfeiffer
Umm and uh, late 80s. I went into a construction business with my father and my brother. We opened up a division called Pfeiffer Affordable Homes. I built affordable housing and.

00:06:42.130 --> 00:07:12.280
Earl Pfeiffer
It was really difficult to find lots. This is a program that I operated in the inner city of Tampa and I would drive around at the end of my day looking for lots. See a lot here, see a lot there. We didn't have any Internet those days, so I'd have to write down the addresses on both sides of the vacant lot and then go down to the courthouse. And of course, that was all done with microfilm. So we had the microfilm to listings to see who owned the property and it was very, very difficult to find land for me and I did that for a number of years.

00:07:12.960 --> 00:07:25.150
Earl Pfeiffer
Finally, a few years later, I found a big wide parcel about 450 feet wide. We divided it into four lots and bingo. I had my first four units subdivision and that was pretty easy.

00:07:26.090 --> 00:07:50.650
Earl Pfeiffer
In 1997, I was hired by Florida Home partnership. The first subdivision was underway, but it was kind of a train wreck. I had to come in and kind of sort things out and get it on track. It was a 32 unit subdivision and early 99 or late 98, we finished infrastructure work on that. And then when I, by the time I retired, we had completed over 1000 lots. So I I have.

00:07:51.450 --> 00:08:06.930
Earl Pfeiffer
Empathy and and understanding for everybody out there who is searching for lots and struggling with the dilemma of how to get lots and hopefully we can work through a lot of that today. But I've been there from one lot at a time to building subdivisions with over.

00:08:07.240 --> 00:08:18.690
Earl Pfeiffer
Uh, uh, two, well, the largest one we built was 303. Lots it at one particular development. So if you think you wanna be a developer.

00:08:19.740 --> 00:08:31.750
Earl Pfeiffer
It's fun, it's exciting, and it's scary if you get into this business and developing subdivisions, you're gonna find yourself waking up in the middle of the night, sometimes asking what, what? What am I getting myself into?
It's a long involved process. It can take up to two years, sometimes even longer, depending on a lot of factors about the community you're developing in.

Earl Pfeiffer
Umm you will need to put together a development team.

Earl Pfeiffer
And we'll talk through that the next couple of sessions, you the you gain control of your future by controlling the availability of building lots.

Earl Pfeiffer
I had a call. Uh, a bill Lazar called me from RE sent me an email from Jacksonville, FL about two weeks ago and he said Earl. I'm struggling to get lots and and and I know that feeling I've I've been there. So if you'd create and develop subdivisions you will have a an abundance or an inventory of lots. So that's really the good news about developing a subdivision. There's downsides to it as well, but the upside is you control your destiny. And secondly, it's a lot.

Earl Pfeiffer
Less expensive to build 4 homes right next to each other than in separate parts of the town, and then finally, when you are developing your own subdivision, you can create lots that are designed to fill your specific needs.

Earl Pfeiffer
Is developing a subdivision right for you? I guess you'd start out that question by asking how many homes are you building a year. If you're building 234 homes a year, you know probably a subdivision may be a bit much unless you buy a lot and and and their successful it's splitting it and we'll talk more about that later.

Earl Pfeiffer
Sometimes there's a big selection of building lots available in your community, so you'll really wanna check out the availability of lots. What lots are selling for if they meet your needs, you know, being a developer, there's a lot that goes on with the ego. And you say, well, I wanna create my own development because I think it's a cool thing to do. And it is, it's expensive, it it wears you out. There's a lot of advantages to it. But if there are other lots available, I would strongly suggest starting there.
Did your agency have the manpower and the financial capacity to develop a lot? You're gonna need more hands in a subdivision development. There's a lot that goes on with the finance team in there.

Earl Pfeiffer
So you need to make sure you have the capacity in house to to be able to work to develop a subdivision and that you have to be able to hire perhaps counts.

Earl Pfeiffer
The last fifth in another development. When I first started, we had an old US Home subdivision that had some old filings in it, and there were some indiscriminate lots, and there were about 10 of them at the time we paid $15,000 apiece and bought them from US homes. So sometimes developers and big subdivisions, they get to a point, there's a couple of lots left. It's really not worth their while to keep their their sites open their.

Earl Pfeiffer
Sales models open so they just wholesale off the remaining lots. So I would always check that opportunity out first to see if there is any other lots available in other communities.

Earl Pfeiffer
I wanted to mention this community right here. This is bypass village phases one. All the yellow lots are phase one. It was 185 lots when we developed this in the early 2000s and then down at the bottom where my cursor is. There are 17 lots and.

Earl Pfeiffer
That's an example of a type of subdivision that can be done.

Earl Pfeiffer
In an existing community, we purchased all of the land.

Earl Pfeiffer
Upwards from this street and developed it all. The farmer on the other side of the street.

Earl Pfeiffer
Sold us some divided lots. He divided the lots and they were real empty easily to add into the subdivision. And I call that a simple subdivision. We had to do some utility extensions for water and sewer, but there was not big development that needed to be done. So anytime you can get a chance to buy a piece of land similar to this, even 234 lots against an existing Rd, that's always what consideration.
So if you and your board decide that you wanna be developers, where do you go next? Well, for us in Ruskin FL, when I was there.

Earl Pfeiffer
Uh, I dedicate this session to Walter Elias Disney. He's got a lot to teach us in my time as an executive director.

Earl Pfeiffer
Bought my second or third year our founder of our organization sent me and my wife to downtown Center, sent us to celebration. That was a subdivision completed by the Disney Imagineers and it had walkable communities. It had allies in the back, the houses were closer to the street. All the porches had all the homes had front sitting porches on them and my board wanted me to go there and look and spend a day. They bought us. My wife and I lunch and just go through the homes, go through the community.

Earl Pfeiffer
And find out what you can steal from that concept and bring back into our communities. And then secondly, several years later, I was at a housing conference in Orlando. I normally get up early in the morning and go walking or running or jogging, and I really didn't wanna do it in a motel parking lot. So the night before I had been downtown Disney, which is a collection of shops put together by the Disney.

Earl Pfeiffer
Uh yeah. Imagineers the engineers for Disney. It's a great community. I was here about 5:00 o'clock in the morning. I was the only non employee there. All the staff was out working and their golf carts and I got to walk around this place and see it in a whole new light being the only consumer on the entire property. And I look to be able to see what Disney could do in his communities, how he treats corners, how he treats line of sight, how he treats park benches and all the different things that.

Earl Pfeiffer
Magic that made up that community so as a developer I began to think of to myself, what can I do to take some of this quote UN quote Disney magic and bring it back into our communities? So I would challenge every one of you. If you're developing a community, think outside the box a little bit. Just as a beginning commentary, I would say that when you develop a affordable and affordable housing development.

Earl Pfeiffer
Make sure that it doesn't look like affordable housing. There are some provisions that say if you're building affordable housing, you can put in a narrower sidewalk. You can put in a sidewalk on one side of the street. You can eliminate landscaping. My answer to that is, let's put an extra big sidewalk. Let's put in extra landscaping. We don't want to create communities that have a stigma. OK, that's where those
poor folks live. Because guess what, if it looks like that today, 10 years, 20 years, 30 years from now, it's still going to have that same stigma.

Earl Pfeiffer
So we’re trying to create communities that have a little bit of magic to them. They don’t have to be extreme, but wherever you can be creative. If you come to a a sidewalk corner, do a round corner instead of a square corner, just little touches that you can do, you make your communities greater. So that’s what we call the Disney Magic.

Earl Pfeiffer
And as we created that magic, we try to put amenities into our our communities. Now, first thing that shows on this picture here is a swimming pool with fountains and things. I was on a tour in our community of a farmworker housing development, had several 100 USDA and county sponsored housing units, and they had a swimming pool in there. One of the planners brought me to see it, and I asked him, I said, well, that's interesting they're doing.

Earl Pfeiffer
Swimming pools. I wonder if we could do that in our residential community. I mean, after all they were selling, they were leasing to farm workers under 50% or 60% of AMI.

Earl Pfeiffer
Umm my thought process was if we put up a pool and we have 200 homes in the community, it spreads the cost out over away and it's a great reward for our residents. We wanted to try to create and magic place for them where they could get away from the everyday life and stay home on the weekends and have a place to have fun and enjoy. So we worked hard to do that. We worked very hard to overcome Nimbyism, not in my backyard.

Earl Pfeiffer
And this development worked to doing that after we created this development, we really stopped having any so called NB issues. This is by you pass village in Ruskin all the way over to the left. Way over here is where our office was. We started with phase one and two right here which is 207 homes. We crossed the street, did another Phase 166 slots and then four and five are another additional 300 lots.

Earl Pfeiffer
And if we turn the page, we're going to see that we.

Earl Pfeiffer
Purchased an additional parcel here which was a fish farm. UM.
And that's after the whole another challenge in developing a fish farm. But we purchased that and altogether the Bayou Pass franchise has 100 and or 719 lots in it.

Earl Pfeiffer
Let me get my.

Earl Pfeiffer
When we acquired phase six, we had already begun developing phase four.

Earl Pfeiffer
I'm sorry, the numbers don't follow along, but this one here in the middle with the big reverse DNA that's phase four and this is where the.

Earl Pfeiffer
Umm, uh, phase six development is here was a 40 subdivision. It had already been permitted and designed and we had to reengineer it a little bit and make the permitting current. But basically it was a very big project, but it's helped create some nice diversion in our in our development.

Earl Pfeiffer
So we're all on the same field as we get forward go forward. I'm just gonna go through some terms.

Earl Pfeiffer
Subdivision is at replating of a larger parcel into two or more buildable lots. A civil engineer is an experienced professional that will design and oversee the your project. A land planner is a professional that can help you conceptualize your potential community. Early on in the process.

Earl Pfeiffer
Governing officials, they are the ones who issue the development permits and oversee the construction and acceptance of your development. And HAC is an entity that manages the affairs of the new development. You’re entitlements. You often hear people say, well, the land has entitlements or it needs entitlements, zoning, site plan approval, utility allocations and usage, landscaping approvals. Those are all entitlements. When you take a piece of farmland and you say, I want to turn it into a residential community.

Earl Pfeiffer
You have to go through the process and attract all of those entitlements to your development and then finally acceptance is when all the work is complete. The final inspection is passed by the jurisdiction it will operate and maintain them. The plats accepted by the jurisdiction and recorded. And now instead of 1 big lot you own numerous smaller lots.
There's two types of developments.

The private is where everything is on the in the development is private, it has private roads, private water, private sewer, private sidewalks. There's really no public infrastructure inside the development and it's managed by the Property Owners Association or a Community development district and in the public system is where the streets, water utility, utilities, sidewalks. All of that is owned. It was developed by the developer and then turned over to be maintained.

As a public improvements in Public Utilities, and that's really what we're gonna discuss in our in our models as we go forward is the public.

Model because in a residential subdivision with affordable housing, it's really much better for the community to the.

Into the jurisdiction to maintain the developments instead of the homeowners.

So.

We need to figure out in the next steps we want to get started on this process. How many lots do we need?

Uh, you know it. It's a couple year process at least it at that wouldn't anticipate less than a year unless you're doing a real simple development. So you you wanna think a few years out two 3-4 years, how many lots are you gonna need, what sizes of lots do you need?

You need to start looking for a development team which is engineers, contractors.
And perhaps somebody to add to your staff, you need to find a land planner, which could be the engineer.

Earl Pfeiffer
I would recommend to anybody that's going to go into developing a subdivision that you would read the land development code to have a really good idea of what's required in the land development code. I always used to tell people to go to the courthouse and buy a copy of the Land Development code. Today, you can find them online. You wanna meet with your local governing officials to understand the planning process. And then I'm sure you all most of them, you know that is there an affordable housing department within your jurisdiction that can help you through this process.

Earl Pfeiffer
Oftentimes they can run interference to make it a lot easier to get through the zoning process.

Earl Pfeiffer
So who do you need on your development team? Well, I'd start with a real estate broker, a land planner, a surveyor environmental and soils engineers, a real estate attorney, a very strong accounting financial person. Your local jurisdiction authorities, site development contractor, project manager, whether hired or part of your staff. Or maybe you're going to do it yourself and then possibly a landscape architect.

Earl Pfeiffer
So the responsibilities of the develop are to acquire and develop the site, assure the delivery of buildable lots 2 year specifications and timelines. You want to keep the community maintained throughout the entire process and through the sales you want to make sure it's safe. You don't want open holes or places where people could get injured or equipment that kids could go play on and and hurt themselves. And then it's also the developer's responsibility to begin the marketing process.

Earl Pfeiffer
So I'm gonna go through a chronological order that a project could follow, but every project varies. You may already own land, so some of this is not relevant. You may, there may be a lot of things going on, so there's different components, but the examples here are just one way and it's a way that I would recommend and.

Earl Pfeiffer
A lot of situations that you just continue to move forward.

Earl Pfeiffer
So the question comes up, how do you find land? Well, you can drive around and look for land. You can look in the newspaper. If they still make newspapers these days, work with a real estate agent, which is always a good idea. You can ask around, you know, anybody know lots for sale. We had a homeowner in
one buying into one of our subdivisions whose uncle owned a farm in the next town over. We ended up buying that land and making it into a subdivision just by.

00:24:39.130 --> 00:24:58.910
Earl Pfeiffer
Conversation. We found it, and then we came up with a campaign when we were really scared that we were not gonna find any more land. It was called the Got land campaign. The little sign here we made it says FHP is buying. We had those signs everywhere. We, every, every.

00:25:00.330 --> 00:25:22.030
Earl Pfeiffer
They were embossed on our letter on our stationary or envelopes when we mail out letters that was on every every letter that we sent out and it let the whole world know that we're open to buying lands and we feel that a lot of calls for lands. It didn't pan out, but ultimately it it helped us find additional land. It keeps it in everybody's forefront that your agency is looking for land.

00:25:23.010 --> 00:25:30.820
Earl Pfeiffer
So you're selecting land whether you select existing lots or raw land, you have to ask yourself, can this land fulfill my vision?

00:25:32.630 --> 00:25:58.000
Earl Pfeiffer
Look at the neighborhood and this is a test that I always do personally myself. I look at the neighborhood and I say if I lived here, what would I see every day when I wake up? Would it be nice? I wake up in the morning and open the curtains? Is it gonna be pretty or am I gonna look at junk or commercial buildings or railroad tracks? So you need to look at them from your own eyes 1st. And if you would not want to live there, then I would not expect it. It would be a great community for some of our.

00:25:59.180 --> 00:26:00.630
Earl Pfeiffer
Our our potential buyers.

00:26:02.050 --> 00:26:09.020
Earl Pfeiffer
And then what? What are the future growth of the area? Is it residential you wanna try to be as much as you can in a residential area?

00:26:10.260 --> 00:26:40.380
Earl Pfeiffer
What are the current and past uses of the land? Is it firm? Is it been industrial? Has it been older homes? You need to look at that and then there's always things that go along with those as well. We purchased some farmland and we did a phase one on it to discover that trackers had been spilling some oil as they filled up and maintained over the years. And so we had to do some remediation for that. You'll want to know how close you are to utilities, water, sewer and electric. Do you have?
Availability of those, or you're gonna have to extend them for a while. Or maybe you're going to have to use well and septic tanks. Well, that was my next line. New well or septic tanks? Is the ground have good percolation.

So you look at the condition of the property. Is the land low? Will it need a lot of fill or is it above the road? The soil conditions? What do they like? What's on the land or trees? Ponds, buildings. You're gonna have to do demolition.

So environmental concerns, you want to buy a piece of land and you need to look at it to make sure that you're comfortable with it. I would recommend that if you buy a parcel, you walk all the way through, bring some of your staff and spend an afternoon looking to make sure there's not a lot of junk buried in there or anything that catches your eye. That's not appropriate. So just physically look at your land.

You'll likely wanna get a phase one side evaluation and what that does is it is a.

A tool to evaluate if there's any environmental concerns on the property a consultant comes in and does that, and it's usually a couple month process. And if you're using any federal funds that that's site one is phase one is something that's probably going to be required and then you want to make sure that the land is clean and in decent condition or if it's not that you're making provisions to cover that.

I just think I skipped something here. I have to go back on.

Org got all the way down to the end. I don't know how manager that one.

There we go.

One more, OK.

This is what I call a sources and uses chart.
Earl Pfeiffer

Umm.

I'm not a math whiz, I'm not a finance person at all, but I can create a simple spreadsheet like this. Basically on the left side and many of you are probably familiar with these, but these are all of your expenses. There's a cost that are in the process and then these.

Across the top are the different funding sources you would have, so some funds can be used for something. Some funds can be used for other things, but basically it's a way to begin to put all your costs together and now this. This chart is about 20 years old, so it was the summer of view Oak subdivision that we developed. We paid 300 and $15,000 for the land when it was all said and all done, the total was $1.5 million.

Divided by 71 lots was $21,922 a lot, so a simple chart like this that will expand and they continue to remain a working document through the entire life of the project is other funds become available or there may be changes in costs, but the sources and uses helps you to easily categorize all of your expenses and where they come from.

If you're going to work with a real estate agent, it's always used to used. It's always good to use a buyers agent. A buyer agent typically represents the buyer where when a property is listed for sale and the sign is in front of it. Typically that sign is the sellers agent. It's representing the seller, so you want somebody to represent you.

And it would be great if you found somebody that had experience in working with land sales as opposed to home sales.

Real estate agents and brokers work on Commission, so don't waste their time unless you're gonna tell them. Hey, this isn't really gonna go anywhere, but I have a question to ask you. Or two or three questions or would like to discuss this with you. But be frank with them. Don't lead them down a road and then they end up empty handed and not get any compensation for their time.

Umm, when you pick a real estate broker, be loyal to them.
And then I also believe that you should make them work to earn their Commission, and you should be fair with brokers Commission.

Even even the myself, I'm a real estate broker in Florida and Colorado. When I buy big parcels like this that have a lot of moving parts to them, I like to work with an agent because I know if the deal doesn't close, they're not going to make any money and.

But if it but if to keep it together and hold it together, they're gonna get paid. So they're going to do everything within their power to keep the transaction upright and keep it moving in the forward direction.

Whenever possible, I would engage with a real estate attorney.

To put your contracts together to help if you wanted to do a letter of intent and to help you with the zoning and entitlement process.

Once you find a site, work with your land planner.

Umm you can do a sketch of the site to determine how many lots you may be able to get in there. See what potential the land has and to see if it will work for you and your agency.

Having a little bit of problem switching here and I apologize.
And layout the project. Try to uh. Make some determinations that this property will work for you and if it will work for you, then you need to try to get in, get the thing and then under contract.

00:33:14.330 --> 00:33:44.640
Earl Pfeiffer
I'm working on it a real estate contract, which we're gonna go into into more detail than the other nuts and bolts sessions, but essentially your goal is to try to extend the closing time as long as possible. Typically sometimes I'll enter into contract and it'll take us nine months to close because we're going to do our zoning. We're going to do survey, and we're going to do a lot of other things in that process. So you want to make sure that your entitlements are in place before you close on the land. And so.

00:33:46.070 --> 00:33:54.460
Earl Pfeiffer
It it's incumbent upon you to try to extend the land closing as long as you can and we'll we will talk more about that in the future sessions.

00:33:55.080 --> 00:34:18.250
Earl Pfeiffer
So you're going to hire A site development engineer and you really wanna find the best engineer that you can. Your land planner may be able to help you find an engineer. You may talk to the governing agency that does subdivisions. They may have a recommendation for you. You may go to other subdivisions and see the name on a sign of who the engineers are just looking around and talking about.

00:34:19.540 --> 00:34:49.670
Earl Pfeiffer
Finding an engineer, you need to find a really good engineer. We will get in and further into that into the more details as as we go forward in the process, we have a land under contract and so we've told our our seller that we're going to get zoning before we close on the lot. So your job is to get the owner to work with you in the zoning process. I always tell every owner or every seller that if we fail to get our zoning.

00:34:49.950 --> 00:35:18.860
Earl Pfeiffer
We will give you all the documents. We'll give you our survey, our traffic studies, our wetland studies, our core drilling will give you all the documents pertaining to the project. If we can't close it. So a farmer that maybe we wanted to sell his land to a developer knows that it's going to require all of these tests. So you'd be safe to go with us because if we don't close on it, then they have all this documentation they could give to the next buyer. So it kind of creates a win win situation.

00:35:21.630 --> 00:35:50.660
Earl Pfeiffer
Then you wanna start to look at your money. You need to be thinking about acquisition dollars. Where do we get them? How do we get them in place? Where do they gonna come from? I would definitely talk to the Housing Assistance Council about loan products. Check with your local jurisdictions, contact banks and credit unions and nonprofit groups on nonprofit loan funds. Investigate all the sources that you can to find.
Earl Pfeiffer
To start looking for the money to build this.

It's not too early at this point, even though we haven't closed the zone, the land or we haven't gotten our zoning in place to begin to do a little bit of marketing.

We create a.

But we have created when I was at Florida Home Partnership a plan like this maybe to make it more presentable, we create an image for our community. We place signs.

On the site, uh. We put information packages together and basically we end up.

Uh, beginning our marketing process. And here's the reason for that.

When you are going to attract lenders to your project, you want a project that shows that there's a strong demand for it, that there are many people waiting for your project. So what we have done is we for every community that we've developed, we developed some sort of an image and I'm going to go back to this very first sign in the upper left hand corner, it's called homes for why Mama, that was a 6 unit development.

The When I first started to work for Florida home partnership, their names, the name of the organization was homes for Hillsborough because we were in Hillsborough County, Florida.

We did a first subdivision called Homes for Ruskin, and then we did this next subdivision in. Why Mama and it was called homes for. Why Mama, I don't know who came up with this creative names, but nonetheless, those were the names. And there wasn't really much pizazz to that upper left hand sign.
The next subdivision. From there we created was subdivision summer View Oaks, which was about 100 and.

00:37:50.750 --> 00:37:53.000
Earl Pfeiffer
140 lots.

00:37:53.670 --> 00:38:01.000
I know the the HOA manager is on this call here. She'll probably correct me, Vanessa, but how many?

00:37:58.940 --> 00:37:59.870
Vanessa Josey
72 lots.

00:38:01.410 --> 00:38:03.000
Vanessa Josey
72 life and some of you.

00:38:02.460 --> 00:38:33.710
Earl Pfeiffer
72 lots. OK. And one of my recruiters who worked for me for a long time, hope who was a homeowner in our first self help group ever. She said. Earl, if we go into Riverview, FL and you call this home for Riverview, I'm quitting. You gotta show some creativity and imagination. Low income families don't need to be reminded that that the low income families and they want to live in a homes for community, they want to live in a place where they're proud of and they're proud to bring their friends.

00:38:33.950 --> 00:39:07.680
Earl Pfeiffer
And it really helped create an awareness for me. And so this this subdivision was across the street from Summerfield subdivision, and we were in Riverview. So and there was a lot of oak creeks on the property. So we came up with Summer View Oaks as the name of the community. And so all of a sudden, we're creating an image for our community. One of the things we write into our contract is that the seller will allow us to erect a sign or signage on our property. And to me, this is really, really critical because it's going to start your phone ringing.

00:39:07.990 --> 00:39:22.720
Earl Pfeiffer
And people are gonna call and So what I suggest I always suggest is you take make an Excel spreadsheet and you track all the calls by month call number 1, #2, #3. You wanna get their name, phone number, zip code.

00:39:24.100 --> 00:39:54.570
Earl Pfeiffer
Mailing address so you can mail them a package out email address, family size and household income. We now use all that information and we can every month we compile a list. When we submit for grant applications, we may have three 400 people on that list. Sometimes later in the years we were having
2000 people a year calling us and we recorded and tracked every call. So we submitted those sheets in with our applications to show all of these people are serious and want to get in and their income.

Earl Pfeiffer
Eligible. So it's really a good idea to start your marketing while you're in the development process, so you don't get all done and all of a sudden now you don't have any buyers when you're going to places like the housing assistance consular, other agencies, they're going to know what your demand is like. And if you can produce 5678 hundred list of inquiries, you're setting yourself into a really great position.

Earl Pfeiffer
So you're gonna you've decided you're gonna move forward and now.

Earl Pfeiffer
You wanna start to do due diligence. Due diligence means is a fancy word for. I'm gonna explore the site really well.

Earl Pfeiffer
Umm. So you're gonna have to start to spend money at this point. You've obviously gone under contract or intending to go into contract.

Earl Pfeiffer
Umm you you begin to wonder. Can we get the zoning? Does the appraisal? Will an appraisal support all of our costs? We determined that it's $21,000 a cost.

Earl Pfeiffer
Prolog. Can we do they appraise at 20 two 2324. Where do they? Where the appraisals come in again, those are old numbers and then you need to get a site. One phase One site assessment that begins to explore the conditions of the site.

Earl Pfeiffer
Also, you may want to seek out the voices of those who are objective and may have concerns about the project, and they may not agree with you.

Earl Pfeiffer
But you want to hear what they've got to say. You've got to weigh everything very carefully. You're collecting the data now. You have to analyze the facts. You develop a proforma. The proforma is basically, here's our cost. Here's what we anticipate selling them for. Does it work?
You should. We should begin to sense the results. Is it feeling like it's working for us or is it not and it maybe keep on it, sleep on it a couple of days and?

00:41:50.040 -- 00:42:04.680
Earl Pfeiffer
If moving forward is the right thing to do, you'll find yourself getting more and more excited about the project. If, on the other hand, you see all these roadblocks and everything in the world looks really difficult, it may not be in the tea leaves for you at this time.

00:42:05.500 -- 00:42:10.250
Earl Pfeiffer
But if you're gonna go forward, I would say have faith and leap. The net will appear.

00:42:11.320 -- 00:42:25.490
Earl Pfeiffer
Your due diligence is behind you and now you wanna start to design the project in its entirety. You're gonna start to spend money, and that's that's a scary point to be at.

00:42:31.970 -- 00:42:41.280
Earl Pfeiffer
As I said, your project begins to gain momentum, and what you're gonna find is all of a sudden everybody wants to be on a winning team.

00:42:42.460 -- 00:42:45.520
Earl Pfeiffer
I want to back up just a minute to those project signs.

00:42:46.630 -- 00:43:16.740
Earl Pfeiffer
We had a project sign at a development that we did in Ruskin FL. The newspaper saw it. They came down and did a nice big cover story on the development. A local nonprofit consortium saw the development it had heard of our past and said, boy, we want to be a part of this. They came to us and asked us how can we be a part of this. And we said, well, we could use a loan product that would be simple and easy and affordable for our buyers and.

00:43:16.920 -- 00:43:30.820
Earl Pfeiffer
We developed a great partnership out of that and that's all again because you begin developing your marketing and outreach and everybody sees it as successful and it just begins to attract success.

00:43:34.220 -- 00:43:47.800
Earl Pfeiffer
So engineering, you start with the engineering, some of the things that you're gonna do on a site when you're convinced you're going forward. And at this point you're under contract. You wanna test the soil sample, the test, the soil.
Your by this point have an engineer on your team, and we’re gonna get again into further selecting an engineer, but you want to make sure you have an engineer on your team and he's gonna start the design project. So he's gonna look at the entire process and say here's where the overlay, where the roads are gonna be. You know it's a big parcel. We need to get six or eight or ten different soil samples in different locations. They'll contract with the soil, boring company. They'll go in and go down.

00:44:19.380 --> 00:44:29.340
Earl Pfeiffer
Pull up soil layers and see what the water conditions are like, what the soil conditions are composed of so that they begin to know how to design the infrastructure.

00:44:30.480 --> 00:44:50.790
Earl Pfeiffer
There will do traffic analysis, count traffic. Do we need to have turn lanes added in here? All of that data will need to be collected and you’re gonna need to pay people to collect it for you. At that point, the engineer will develop a preliminary plan, which will be submitted along with your zoning application. And it's basically.

00:45:01.980 --> 00:45:19.900
Earl Pfeiffer
A general overview layout. It shows you know 30 lots at 50 by 100 apiece with not a lot of detail in it, but just to get the overall concept down and the governing agency when you turn it into the governing agency, they will then approve or disapprove your zoning and your preliminary plan. So if this is the point where you start working with all of that, and we'll go into that more in the nuts and bolts sessions.

00:45:20.970 --> 00:45:50.840
Earl Pfeiffer
So you get your proper zoning, your entitlements in place. Typically when you get your zoning, the development agency will approve your conceptual site plan. You will get utility commitments from water and sewer. There is water and sewer available. We will get a commitment that says, you know, starting On this date, we will commit to giving you 30 water taps and 30 sewer taps.

00:45:51.040 --> 00:46:00.210
Earl Pfeiffer
Whatever the whatever the number is. But again, this is all information you wanna get into place before you actually end up closing on the property.

00:46:03.320 --> 00:46:12.890
Earl Pfeiffer
Once you decide on moving forward, you're gonna begin to work to get a development contractor onto your site. You're gonna need a.

00:46:13.710 --> 00:46:43.800
Earl Pfeiffer
A development contractor to come in assuming it's a it's a little more complex project. They will come in and do all the infrastructure and site development work for you so that whole bid process we will be discussing later as a handout in session #2 at the end of session two, I am going to give you a set of

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documents that we've used in past projects. That is the construction documents forbidding and other purposes for the whole project, so.

Earl Pfeiffer
You're gonna begin to start that process.

Earl Pfeiffer
And you, you wanna look at other construction sites, drive through notice what big companies do a lot of site development in your area, you might ask your government members, team members, if they're aware of.

Earl Pfeiffer
Development contractors that would fit your project and and then there's also the Dodge reports. When you're getting ready to go out to bid, you could advertise on a Dodge reports and that that brings in a civil contractors as well.

Earl Pfeiffer
So.

Earl Pfeiffer
You wanna bring in your site development team, which is your contractor is very, very, very critical team member.

Earl Pfeiffer
Umm you wanna keep this a win? Win situation.

Earl Pfeiffer
Excuse me one second.

Earl Pfeiffer
The.

Earl Pfeiffer
Site development contractor.

Earl Pfeiffer
Wants to get paid on time and they wanna make a profit. That's why they're in business. You want your project on time and on budget, so you both have some common goals.
Earl Pfeiffer

But getting a good site development contractor is essentially critical for the process you put your process out to bid your project out to bid.

Earl Pfeiffer

When I did the work, I used a very formal bid process. If you've ever been to any government bidding processes where they take bids and open bids in public and manage them, that is very similar to the way that we work our bid process. We have a bid book, we have blueprints, all the documents, we have a pre bid meeting that the bidders come to, we review the documents, we give them three or four weeks to put their numbers together.

Earl Pfeiffer

But it is a very structured formal bid process. We require all bids submitted by a certain time and date and there's the date stamped in. Also they're sealed bids and you can do a public bid opening if you want or you can open your bids in private. It's really your call and you'll work with your engineer and maybe if you have an attorney to work with, you can work with him as well.

Earl Pfeiffer

You'll need to create construction documents. What I'm gonna provide in the next session, the end of the next session for the third session will be a tool to be able to.

Earl Pfeiffer

Use that as a template. I'm not an attorney, I'm not an engineer and.

Earl Pfeiffer

So essentially you can look at these and and get an idea of what you're supposed to have work with your engineer on those, and your engineer may have bid documents as well, and then you want to hold a pre bid meeting with all the bidders, the engineers, soils and utility companies.

Earl Pfeiffer

Uh, just to get everything out so everybody understands the project that they're going to be bidding on.

Earl Pfeiffer

So in the bidding process, we typically allow from the time we have a pre a mandatory pre bid meeting, we allow about three to four weeks for the contractors to put their bids together.

Earl Pfeiffer

Often we hold a formal bid opening.
Earl Pfeiffer
Uh. Our engineers review the bids.

They'll take about 2 weeks to take the bids back and tally them and then.

In our situation, oftentimes we went for the lowest bidder, we put it out to bid and we call it the lowest responsible bidder. Obviously, if everybody came in at 500,000 and somebody came in and 180,000, they're low bidder, but that's probably not the low responsible bidder unless they're.

Into helping you out for just because they want to.

We have, we we basically go through the sealed bid process, open all the bids and then we offer to sit with any of the bidders that submitted and if they have suggestions on how to get the project done cheaper or they would, they weren't low bitter but they'd like to revisit their bid we with an engineer and and our team we would negotiate with the contractor to see if we could get a better price.

Sometimes engineers will come in and or contractors will come in and bid on a project. But they say, you know, if we can do it this way, we can save you.

$500,000, just things of that nature.

There we go. OK.

So again, I have a preconstruction meeting. It's basically always on the site and we get all the relevant people there and we discuss everything that is relevant to the project.

Scheduling scheduling is very, very important.
Earl Pfeiffer
Sometimes we have selected a contractor based on their schedule.

Earl Pfeiffer
It a larger project like some of my I've shown you are typically about 150 days to 180 days from the
notice to proceed until they have a final inspection. So there's different types of schedule. There's
critical path schedules, there's lots of different types.

Earl Pfeiffer
We I have typically used.

Earl Pfeiffer
Of milestone schedule which says the milestone schedule says by this date we'll have the site cleared by
this date. We'll have pipes in by this date, we'll have Rd base end by this date will be complete that as us
as a developer we can use the contractor. Though on the other hand they end up getting more detailed
construction construction schedules because they have to deliver on them and we make them include
schedules in in their bidding process for us and that is a factor.

Earl Pfeiffer
The cost and timeline and and when can they start? Are they available to start? Typically our projects
are once they're reviewed we get a.

Earl Pfeiffer
We work with the engineer. We decide on a contractor. We'll send out a notice of intent that XYZ
contractor is the parent successful bidder. Thank you all for bidding. Then we hone down and work with
XYZ. Contractor. We tighten up the schedule.

Earl Pfeiffer
We will.

Earl Pfeiffer
Schedule A the pre construction meeting that starts prior to construction and then at some point we will
sit with them and sign the contracts. Our contracts typically say that your timeline begins.

Earl Pfeiffer
Once you start, we'll issue you a notice. The last thing we do is issue to a contractor a notice to proceed.
That means everything is done. We got our money in place. You are now authorized to proceed from the
notice to proceed. You have 150 days to get the substantial completion and then it that basically is what
starts our clock. So scheduling is really, really critical. And from your side and what your engineer you also have to monitor the schedule.

Earl Pfeiffer
As well to make sure that.

Earl Pfeiffer
That it is, uh, consistent and and you're not falling behind.

Earl Pfeiffer
Change orders. You know what they come up and the subdivision development, just like they do in residential construction or any other kind of construction. A change order is an agreement to change the scope of work and the and or the time involved that sometimes involves a monetary adjustments. My reflection is that.

Earl Pfeiffer
You wanted to establish fairness with your contractor. Sometimes a site development contractor will think oh, I gotcha. Now we can make some money on this project because somebody screwed up and they didn't do this or they didn't do that. So we're gonna charge extra so they wanna charge us a ridiculous price. Well, sometimes we go back and look at the unit pricing and say, you know, you're charging is $32 a foot to lay 8 inch sewer pipe at 6 feet deep. And why are you charging? It's a different price on this change order so.

Earl Pfeiffer
Have to work back and forth. It has to be a win win for both sides and and you want it to be especially fair for everyone.

Earl Pfeiffer
So supervision of the site, who watches the construction?

Earl Pfeiffer
Typically, most civil engineering firms will have a staff AI team.

Earl Pfeiffer
That will maybe a.

Earl Pfeiffer
A beginning engineer will work as an inspector in the field.
Earl Pfeiffer
And.

Earl Pfeiffer
Uh, so they they provide oversight. They look at the contractors work, they come out two or three times a week to do that.

Earl Pfeiffer
The monitor the pay estimates and things of that nature.

Earl Pfeiffer
We also have had our own staff involved. We wanna go and see what what is happening on the site, make sure we're comfortable with it, that when the finished grades are done, we're happy with those. So we play a very active role in construction management as helper.

Earl Pfeiffer
What we also pay the engineer to be involved in the in the oversight of the project, because that relieves some reliability from us, so we're like.

Earl Pfeiffer
Counting on the engineer, but we're also very active with our self in the field, keeping all the keeping our eyes on everything, making sure it goes well.

Earl Pfeiffer
So you're gonna get to a point where you're subdivision looks like it's done and you drive down the road and you look and say, oh boy, they're gonna build a subdivision, they're subdivisions there and it kind of looks like this. You maybe got some grass in, but you can see the roads aren't quite paved yet, and it's getting down to the real nitty gritty. And it's to punch list time. You know, you have to be very thorough and going over your.

Earl Pfeiffer
Your your side to make sure that when it's done and you accept it, you have what you want. That it's not what the contractor wants, but basically what what you want.

Earl Pfeiffer
So you work with the government when a project is all done the the county jurisdictions Water Department, Sewer department and landscaping department, public works planning and zoning, who else knows who all those departments will come out probably on one day you will have a very large walk. Your contractor will be there, your engineer will be there. All of the government officials will be...
there and you'll walk the streets of the subdivision. Try not to do it in the hottest day of the summer though, because it's pretty tough.

00:58:10.490 --> 00:58:13.270
Earl Pfeiffer
Umm, but you go through the subdivision and.

00:58:14.580 --> 00:58:36.050
Earl Pfeiffer
And make a list of everything that needs to be completed and this is important because your contractor then has to go in and make the improvements and and and they'll have a punch list from each department. Once those punch lists are done, then you're well on your way to getting your site accepted by the jurisdiction.

00:58:38.040 --> 00:58:43.670
Earl Pfeiffer
So another step in the subdivision as you're getting.

00:58:44.660 --> 00:58:58.970
Earl Pfeiffer
To the end, while the construction going on is the platting and the plating is where you come up with the community name, you pick street names, which is a whole process in and of itself.

00:59:00.500 --> 00:59:01.090
Earl Pfeiffer
And.

00:59:01.170 --> 00:59:01.710
Earl Pfeiffer
Uh.

00:59:03.290 --> 00:59:14.070
Earl Pfeiffer
So you want to your engineer will draw up on actual plat. We're gonna talk more about that in the in the third session, but it will draw up a plat and that plat shows the dimensions of each lot.

00:59:15.870 --> 00:59:38.810
Earl Pfeiffer
Where the corner stakes are, how long, how wide the number of lots, the streets, the streets, dimensions, everything is spelled out on that plat that gets recorded into the public record. And when that's recorded in a public record, when it's finally accepted for all the improvements, you now have a instead of having one large lot you now have a subdivision with different lots.

00:59:39.770 --> 00:59:44.460
Earl Pfeiffer
So people then say, well, OK, I wanna start to build a home. It's looking like that well.
In most jurisdictions, you cannot build on a lot.

Until the final inspections are accepted.

The utilities are accepted and put into operation and everybody has signed off on the development. Now some jurisdictions will allow you to get a model home permit if you think about a development of traditional development US homes, Lennar, somebody like that.

They come in to a community, they put in the infrastructure and they're finishing their infrastructure. They build 3456 different models and they're building the models while the infrastructure is completed and that being completed and that is called a model home permits that you can get from your jurisdiction.

We've gotten a lot of model home permits over the years. The downside to building a model home and a non completed site is it it ends up as Prairie building and for those who don't know, Prairie building is when you're out in the middle of a Prairie trying to build a home, you don't have electric, you don't have water. So you're bringing all your you're bringing water tanks in, you're bringing generators, everything else, you're working almost like remotely with your own instruments trying to get that home constructed.

Uh, some departments will allow you to use that UM on building your first. You know, if you have a couple homes, you wanna get underway, but they're not gonna be model homes. They'll still let you use a model home permit to construct those prior to the completing of all the infrastructure.

And that's the big help in the timeline because.

Again, you're creating momentum when you do a development, so everybody drives by and the more the development progresses, the more your phone is going to ring. When they start seeing houses go up, your phone's gonna ring even more. So if you can get a model home permit or a couple of them in your development, that's that's great. There are some downsides to them, but basically a model home
permit is best way to get started in your development. So some real quick tips on successful development management hold.

01:01:55.420 -- 01:02:26.310
Earl Pfeiffer
Uh preconstruction meeting always pay your engineer to do a construction monitoring and inspection. Do not let your subdivision your sub contractor get upside down on pavement request. I can’t emphasize that enough. We’ll talk more about that in later sessions, but you really, really, really do not want to let them get away from you. You wanna if if you your site contractor disappeared, you’d wanna enough money in the project to bring another contractor into fish.

01:02:26.400 -- 01:02:27.210
Earl Pfeiffer
Finish it.

01:02:28.850 -- 01:02:34.060
Earl Pfeiffer
You want to visit your site frequently. Your contractors will know who you are.

01:02:35.240 -- 01:03:01.420
Earl Pfeiffer
Your board will see you out there. It's it's everybody's advantage to get into the field as frequently as you can and see what's going on in your development. You wanna make good friends with county inspectors and I'll think friends is really a good word because it sounds like it could be open for corruption or something. But you you want to have a good relationship with your county inspectors. And then again, as I said before, you want to monitor the contractors timeline very closely.

01:03:02.160 -- 01:03:04.350
Earl Pfeiffer
You wanna pay your contractors promptly.

01:03:04.520 -- 01:03:26.910
Earl Pfeiffer
UM quick pay really wins friendships in a big development because they're spending sometimes hundreds of thousands of dollars between payment requests, and we've always tried. I've always tried to pay within two weeks of when they've submitted an invoice, and there's a whole process to go through and the invoicing. But you wanna get known as paying quickly.

01:03:28.700 -- 01:03:33.190
Earl Pfeiffer
You wanna know your contract upside down, forwards and backwards so you get what you pay for.

01:03:34.020 -- 01:03:35.990
Earl Pfeiffer
Again, be fair with change orders.
And then be very, very thorough on final acceptance.

Umm, that that's critical because if you don't catch it in final acceptance, you're gonna have to live with it. And that's unfortunate sometimes.

Uh managing construction. Once your contractor is completed with his work, the responsible government agency will accept the project that takes up to 30 days, ideally.

A plant and acceptance of the improvements go hand in hand. Typically, most governments require that those improvements pass through the City Council or the County Commission for final approval, accepting the improvements and accepting the plat. That's a government elected official act. So if you can get both of them to land on the Diaz at the same day for your Commission, that's great. It saves time and at that point, once you get the plat recorded and.

The.

Been improvements accepted. The only thing that would really be holding you up now to start construction is getting St addresses, which is a really important step and that easily follows shortly thereafter.

So that really takes us down to the end of the road on the overview.

Covered a lot of material. We covered it quickly. We're gonna break down this material into two sessions, break it in half before acquisition and after acquisition in the next round, so.
Earl Pfeiffer: All I have and I'll be glad to take any questions.

Vickey Stratton: So this is vickey again. So if you have any questions, just put them in the chat box or we do have a couple questions already.

Earl Pfeiffer: OK.

Vickey Stratton: The first question is considering leverage of various funding sources. How much equity capital should I start a development project with as a percentage of total cost?

Earl Pfeiffer: You know, that's really more of a lender question. I know every lender is gonna look at that differently.

Earl Pfeiffer: Obviously I you wanna put as much equity in it as possible so that you have less debt service. There are a lot of different ways to put equity into a development.

Earl Pfeiffer: Sometimes there are some things that no lender will pay for, and I can't think of a great example of that right now, but.

Earl Pfeiffer: There are a variety of they're, they're just, maybe some soft costs that that somebody doesn't want to cover. So a lot of you wanna use your own dollars to the best advantage if somebody else won't cover those. But as far as a percentage of the amount, you know that that's.

Earl Pfeiffer: Not so much a development question, but it would be a a lender question and I would think you would like to start with as much equity as you can because that ultimately the more equity you have, the more control you have.
Vickey Stratton
OK. And we have another question that is, what are some of the downsides to mobile homes mobile home permits?

Earl Pfeiffer
Mobile home permits.

Earl Pfeiffer
I don't know that I can answer that. I'm not sure how the role of that fits into.

Earl Pfeiffer
Model home, home. She's got model home.

Vickey Stratton
I'm sorry I read that wrong Earl. She does have model homes, so it's one of the downsides to model homes and the model home permits. Got it. Thank you.

Earl Pfeiffer
OK.

Earl Pfeiffer
You're building a model home in your development. The upside is you get a big start, you get a head start, the downside.

Earl Pfeiffer
If you have the capital yourself and your in your funding, the construction of these homes, I'm just gonna start with that assumption that you have it.
One downside is that you're gonna permit it. OK? And you're gonna permit a home.

But it doesn't have an address because early before you get your plat recorded you don't have. You have a proposed lot X and a proposed block Y, but you don't have a street number, you don't have your streets accepted. So you basically are permitting in the name of.

Umm, you know, proposed lot 1 of proposed block, two of proposed bypass subdivision in Hillsborough County, Florida. So then that's how you get it permitted. But then after the streets and addresses are all in, then you have to basically change all that. It's no longer the proposed lot 1 proposed Block 2. It is basically block one and block 2. And it has a street address. So there are some legal issues you have to work through.

Legal identification issues you have to work through and then the other thing is you're just basically out working in the middle of the subdivision. That doesn't have improvements. Your streets may not be paved. So if you're gonna bring in a load of lumber or trusses, you know what it's going to be hard for them to get up over the curb into your site to deliver the product. So.

It's inconvenient. It's not easy. It's hard to do, but it makes your project more viable. Again, I go back to the fact that as a developer you want the whole world the passes by your development to see what you're doing, and so if they see rooftops coming up all of a sudden the phone starts ringing like crazy. Because I know it's getting close. So I always encourage if you have the ability to do one or two at least.

Stardom. But but there are some downsides, inconvenience and address issues are among them are probably the the greatest and in utilities.

And and so at this time, we're also going to entertain questions. If you just wanna click, put your hand up and it's the little, it's under reactions and you can just raise your hand and we'll just call on you that direction as well.
Diana Lopez (Guest)
Is is there?

Diana Lopez (Guest)
Uh, you know, we always struggle in identifying where the good water sources are in a site before we make a final selection. Is there some rule of thumb and identifying, you know, availability of water in the area?

Earl Pfeiffer
So are you talking? Are you? I'm assuming from your question that you're gonna be developing where you don't have well and you don't have city or you don't have municipal water and sewer. Is that correct?

Diana Lopez (Guest)
That that, that's correct. It's Prairie development.

Earl Pfeiffer
You know that's always a tough one. You you may get some indication from the soil conditions when they do the boring.

Earl Pfeiffer
I know this really sounds pretty far out there, but I've I've worked with water witches before. They take the witching rods and and go out into a side and I mean it works. I literally works.

Diana Lopez (Guest)
Mm-hmm.

Earl Pfeiffer
Umm.

Earl Pfeiffer
It's it's a little far fetched but.

Diana Lopez (Guest)
I'm gonna share something with.

Diana Lopez (Guest)
I'm gonna share some with you in the group I and I wanna get your opinion on this but.
Diana Lopez (Guest)
Uh, when there's fog on the ground?

Diana Lopez (Guest)
Bob generally tends to be drawn by water, so I've gone out to sites where I've seen humidity or or fog collect in an area and that seems to be something that has worked for some people. I don't know if you've ever heard of that before. What's that even called? But.

Diana Lopez (Guest)
That's what I'm understanding is, uh, because if you go to like a river or a low lying area during a fog event.

Diana Lopez (Guest)
The fog is drawn to that.

Earl Pfeiffer
OK, that I you know that isn't.

Earl Pfeiffer
That's probably I don't have that knowledge. It makes sense. But you know there's more discerning eyes to look over these things with my my best advice would be to, you know, to find out who in your areas got the greatest reputation as a well driller and really consult one on one with them because they go in different pockets of the county and jurisdiction and they know areas where there's challenges.

Earl Pfeiffer
I my personal house is on the river and I and I'm buying another lot that's near my house that's on the river. And I talked to a well driller and he said you don't wanna go close to the river. You wanna stay far away from the river. So you know you really need to get the confidence of the real driller that you're going to work with and and, you know, consult with them and perhaps your engineer.

Diana Lopez (Guest)
OK, good advice. Thank you.

Vickey Stratton
Great. Thank you. And we do have a couple more questions. Thoughts on incorporating modular production of homes within subdivision developments?
That's a little bit different twist for me. I've heard of that. Is that where you're actually putting up a shop on the site and developing the product on the site?

Vickey Stratton
Amy.

Vickey Stratton
Would you like to unmute?

Amy Anselm
Yeah.

Amy Anselm
I was thinking more the the traditional uh contracting with a modular home producer to purchase finished units.

Earl Pfeiffer
OK. I mean modular homes are looks like everything else are going up in cost these days?

Earl Pfeiffer
But.

Earl Pfeiffer
You know.

Earl Pfeiffer
And and it's good that you separate modular from manufactured. I don't know if everyone understands and I'll just give a real simple layman's explanation. A modular home is a home that is built to the same building code as a stick built home, but it's built in a factory, a manufactured home on the other hand is built to the HUD building code and it's built on a steel frame and it's titled and registered as a vehicle and it's towed out to the site and lifted up on that frame.

Earl Pfeiffer
And then the title is taken away and it becomes part of the land, just as a general note, manufactured homes do not appreciate as well as modular homes. There's not a lot of differentiation.

Earl Pfeiffer
I don't know that modular homes have a lot to do with development, but I think they are definitely a a becoming in in at least some areas where you're having hard to get trades and things like that.
Earl Pfeiffer

It is.

Earl Pfeiffer

It's definitely a good advantage. Now I'm working with a nonprofit group in Salida, Co Chaffee Housing Trust, and they're building multifamily.

Earl Pfeiffer

Trust units with modular components and we had a meeting last week with the the modular supplier and you know they're telling us at the meeting that they're six months out on cabinets. So they got a place, the order order, the cabinets before anything else. So but but there is a, there's a lot of sense to using modular. I don't know that it's a development question, but you know they make some really attractive homes if they're put on good foundations even with a crawl space or basement.

Earl Pfeiffer

Umm that they do make a really good product, so you know I haven't worked with them a lot as a contractor or the developer, but I certainly am open to it in any way. The market is changing these days. It may be one way to help get costs under control a little bit.

Vickey Stratton

Claudia, would you like to unmute and ask your question, Earl?

Vickey Stratton

Claude.

Vickey Stratton

No. OK, so we're waiting for Claudia. What about those CZ guest? And they do have a question as well.

Earl Pfeiffer

OK.

Vickey Stratton

CZ's question I should are you there OK.

CZ (Guest)

Yes, I'm sorry I'm here. I just couldn't. Yeah, I couldn't. At the time. I'm sorry. I'm in a I'm in a public space. I couldn't unmute, but.
CZ (Guest)
So my hesitation is dealing with zoning in regards to developing affordable housing projects and with so many legal restraints in place, what is the benefit of building for this demographic for low income housing and affordability?

Earl Pfeiffer
OK.

CZ (Guest)
I'm going to go back on mute now.

Earl Pfeiffer
I was I I I I got lost on part of that question. Could you repeat it for me again please?

Vickey Stratton
You can do it for hesitation is dealing with zoning in regards to developing affordable housing projects. With so many legal restraints in place, what are the benefits of building for this demographic?

Earl Pfeiffer
Well, I mean, if it's your, you know.

Earl Pfeiffer
There there's pros and cons for this demographic in in in affordable housing.

Earl Pfeiffer
And if it's your mission, if that is what your able, if that's what you're doing and your mission, then you need to have lots to build on.

Earl Pfeiffer
Umm, you know, I'm gonna take this opportunity here because I don't have it anywhere else. But this is where you need to get involved with your community and and. And I saw a map today and we had to poll showed we've got people from almost every state in the country here and you really need to get involved at the local level and at the state level and advocate for affordable housing. If your jurisdiction does not have an affordable housing department, somebody in the zoning or planning department probably overlooks affordable housing.
Earl Pfeiffer
So you need to begin to have those conversations and find out what. What is it that they're looking for? I mean, I every, every community.

Earl Pfeiffer
Every community needs affordable housing. So.

Earl Pfeiffer
Got a little noise coming in here somewhere.

Earl Pfeiffer
UM&A.

Earl Pfeiffer
If it's your demographic, you don't really have any choice. If you want to. If you want to build for them. So my best recommendation is to be proactive in talk with your local jurisdiction about affordable housing and and go to county Commission meetings or city Commission meetings and talk about affordable and talk about the needs, talk about it in the public comments.

Earl Pfeiffer
You know if if there's no appetite for it in the community, you can't get zoning, then there's really not a whole lot you're gonna be able to do. And you might want to look towards a different jurisdiction.

Vickey Stratton
I think that's great advice because those are relationships that you need to start building Umm in this process as well. Diana, would you like to unmute and ask your question?

Diana Lopez (Guest)
Yes, my question is, uh, additive construction.

Diana Lopez (Guest)
Are are those options for affordable housing, and if so, where are we in terms of acceptance?

Diana Lopez (Guest)
Uh.
Earl Pfeiffer
I'm not really understanding the question. Can you try asking it a little differently please?

Diana Lopez (Guest)
A 3D printing.

Diana Lopez (Guest)
Uh, it's something that's out there kind of on the edge of construction as a affordable housing solution.

Earl Pfeiffer
You know I'm.

Diana Lopez (Guest)
Are there any projects that are out there that maybe I know habitat has something they've started in Florida, but I don't know how? How, how, how, how it's being adopted as affordable housing option.

Earl Pfeiffer
Yeah.

Earl Pfeiffer
You know, I'm not sure that's relevant to development, but in general comment I'm working with another group at the Housing Assistance Council. Let's doing alternative styles of housing. We've had some webinars and we've been toying with doing a webinar on the printed homes.

Earl Pfeiffer
You know, I've seen videos of them. I've never seen one first hand. I've never been to the field to know what they look like. It's an emerging technology. I think it has a place in this industry, but I'm just not really up to speed to provide good information on that.

Vickey Stratton
They just anyone else have any other questions?

Vickey Stratton
Case Stephanie Umm will there be a a poll? I mean a.

Vickey Stratton
Coming out forever.
Stephanie Nichols
Hey.

Stephanie Nichols
Uh, Sir. An evaluation, yes.

Vickey Stratton
Survey. Yes, they evaluations.

Stephanie Nichols
Yes, that will be coming out shortly.

Vickey Stratton
Umm, the PowerPoints already on the website and the recording will be up later today or tomorrow probably.

Vickey Stratton
Hey, so watch the survey and we like to thank everyone for attending today. Thank Earl for a great presentation. Remember, you can also sign up for the second webinar and the third webinar, which we will have have those on our website as well.

Earl Pfeiffer
Thank you.

Earl Pfeiffer
Thank you.

Bernard (Guest)
Thank you.