

Unedited Transcript

00:00:00.000 --> 00:00:00.350

Phillip Brown

No.

00:02:21.000 --> 00:02:36.440

Vickey Stratton

Hello, welcome everyone. Today, I'm vickey Stratton housing specialist with hack and welcome to the second part of a three part series on subdivision development. Just so we can find out who always here 2 weeks ago, if you were on the 1st webinar.

00:02:42.220 --> 00:02:46.810

Daniel Stern

Vickey you muted by accident? It looks like mid mid sentence there.

00:02:46.720 --> 00:02:58.590

Vickey Stratton

Miss. And that's OK. Well, let me. So if you were on the 1st webinar two weeks ago, put one in the chat. Look for your chat across the top. So just put a one in the chat and put a two if you are not here 2 weeks ago.

00:02:58.660 --> 00:03:04.040

Vickey Stratton

So now I will let Earl take over to start today's webinar.

00:03:06.010 --> 00:03:06.660

Vickey Stratton

Thank you.

00:03:08.190 --> 00:03:13.540

Vickey Stratton

Awesome, Earl, you got lots of ones. They were here last week or two weeks ago and a few twos.

00:03:15.550 --> 00:03:16.500

Vickey Stratton

And you're muted.

00:03:19.320 --> 00:03:20.170

Dial, Gen (COM)

Carne asada.

00:03:20.140 --> 00:03:20.720

Vickey Stratton

There we go.

00:03:20.900 --> 00:03:25.970

Earl Pfeiffer

Thank you, Vicki. That helps me get a an idea of how to.

Unedited Transcript

00:03:27.270 --> 00:03:28.680

Earl Pfeiffer
How to present today?

00:03:29.440 --> 00:03:29.970

Earl Pfeiffer
Umm.

00:03:32.800 --> 00:03:44.170

Earl Pfeiffer
In the last session we covered some things and I for those who didn't cover them, I'm gonna cover them a little bit today. But we got a lot of material and I wanna just keep moving forward here.

00:03:47.350 --> 00:03:48.240

Earl Pfeiffer
I've gotta.

00:03:49.560 --> 00:03:51.740

Earl Pfeiffer
Figure out what I'm doing here. I should.

00:03:52.660 --> 00:03:53.560

Earl Pfeiffer
Oh, here we go. OK.

00:03:55.350 --> 00:03:55.980

Earl Pfeiffer
Umm.

00:03:57.200 --> 00:04:03.390

Earl Pfeiffer
So this is, as Vicki said, this is Part 2 of a three part series we're taking.

00:04:04.070 --> 00:04:32.780

Earl Pfeiffer
Uh subdivision concept through land acquisition in the closing today or in the subject today, I will have a optional 30 minute session at the back of this session to go over a land development bid document package that we have supplied or we will be supplying and and then we'll also have time for question and answers and then our next session.

00:04:33.660 --> 00:04:41.670

Earl Pfeiffer
Is on the two weeks from today on May 25th where we will cover the land acquisition through the construction and completion of the development.

00:04:44.850 --> 00:05:00.350

Earl Pfeiffer
Actually, the introduction said I had 35 years of experience. I did the math recently and I found out it's

Unedited Transcript

actually 44 years I've developed over 1000 lots. So I I've been doing this a little bit a while and I'm I'm excited to be able to share what I've learned in the process.

00:05:02.530 --> 00:05:34.280

Earl Pfeiffer

There's two essential different types of developments that will be discussing or will that are that are available. One is a private development which is a development that has private streets, private infrastructure, private water and sewer. Then there's the public system where that's all public streets dedicated to the local jurisdictions. All improvements are built to their code, and then once they're accepted by the local jurisdiction, they will take over and maintain operation and maintenance of the utilities and the infrastructure.

00:05:34.400 --> 00:06:01.350

Earl Pfeiffer

Which is a much better option for building affordable housing. I did want to note that I am on Starlink. I'm coming from the Colorado Rocky Mountains. The only Internet connection I have here is Starlink, and Starlink is actually pretty good. It's the real deal if you're in rural America and the only problem is sometimes it'll lock up and freeze for five, 1015 seconds. So if that happens, Please be patient and know that I'll be back with you really quickly.

00:06:04.120 --> 00:06:04.870

Earl Pfeiffer

In the.

00:06:04.940 --> 00:06:32.950

Earl Pfeiffer

Yeah. Today in the webinar, we're gonna talk about two different types of subdivisions. One is a complex subdivision, which is what you see here ahead of us, which is a big subdivision moving a lot of dirt, putting in roadways, putting the retention centers, putting the water, wastewater, stormwater. That's a major development, complex development as simple development is really everything else. It's taking a as far as.

00:06:33.820 --> 00:07:04.050

Earl Pfeiffer

Building a subdivision. It's, uh, maybe you buy 50 foot of land and or a 500 feet of land. Divide 10 lots 50 feet apiece. It's already on existing roads. You may have to run water and sewer, but that's a relatively as simple development. It's not as big as as putting in a big infrastructure system. So we'll discuss both times types today and if you do get a chance to build any complex, develop simple developments.

00:07:04.150 --> 00:07:15.390

Earl Pfeiffer

They're always preferred because they go faster and they're they are less expensive and I am going to take myself off the camera just to give myself a little extra bandwidth, so I'll make sure that.

00:07:15.470 --> 00:07:21.920

Earl Pfeiffer

Umm what I'm doing OK, so I'm gonna disappear for a moment or for the remainder of the session.

Unedited Transcript

00:07:23.940 --> 00:07:37.890

Earl Pfeiffer

This development here is bypass village in Ruskin, the the top 100 and all the lots up in the upper section. Up here there's 185. Lots are.

00:07:38.090 --> 00:07:40.370

Earl Pfeiffer

Uh. Part of what is called a.

00:07:41.160 --> 00:08:08.930

Earl Pfeiffer

Complex development. Once we develop this and we put in all the streets and including this bottom St down here on the very bottom, the farmer next door sold us a strip of land 100 feet deep and we divided them into 50 foot lots and basically added a phase two to the subdivision. So that's how simple a subdivision can be. If you already have an existing infrastructure and streets in place and you wanna add some additional.

00:08:09.350 --> 00:08:09.890

Earl Pfeiffer

Umm.

00:08:11.650 --> 00:08:18.810

Earl Pfeiffer

A larger community you can basically just plug into the existing system and that's always advisable when you can do it.

00:08:20.130 --> 00:08:45.250

Earl Pfeiffer

So, Umm, I'm going to run through the terms we talked about this last time. Basically a subdivision means you're just replating one larger parcel into two or more buildable lots. The 1/2 terms, I wanna concentrate on next are the civil engineer and the land planner. A civil engineer is an experienced professional that will design and oversee the development of your project for you, a land planner.

00:08:46.070 --> 00:09:11.340

Earl Pfeiffer

Is someone who can help you conceptualize the plan for the development that you wanna create and help you come up with a good layout. Now an engineer can do that as well, but a civil engineer is limited. They're not limited, but they're being left brain individuals. They typically tend to think more analytical and more.

00:09:13.780 --> 00:09:26.510

Earl Pfeiffer

More logical, I guess, than UM. And what makes more common sense than a land planner where land planner may design A community based on lifestyle, how the how the residents will live there? A land planner may.

00:09:27.590 --> 00:09:56.760

Earl Pfeiffer

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Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

Get you a a more desirable layout than a civil engineer would. Sometimes a civil engineer, they look at the logistics of it, they say, well, here's a great community. We'll put the lots here. We'll put their retention pond in the back where land planner may say we want to the retention pond up front because it's pretty and beautiful and we want it to be an amenity rather than something hidden. So either one can help you with your project, but working with a land planner just gives you somewhat of an advantage.

00:09:57.180 --> 00:10:22.910

Earl Pfeiffer

In the process, governing officials are the ones that in the local jurisdictions that have responsibility over permitting and inspection of your subdivision and HOA, is an entity to manage your affairs of the development. I have a session in the in the coming session on HOA, so we'll talk about that. Your entitlements, zoning, site plan approval, utility allocations.

00:10:24.170 --> 00:10:53.950

Earl Pfeiffer

And they're usage and site landscaping approvals. All of that is something you're gonna need to get if you take a raw piece of land and develop it into a subdivision. Once you're subdivision or your raw land is entitled, then you can go about designing the project and building it. But until the entitlements, you basically have a piece of land that has no connections or anything to it. So you're gonna be adding entitlements which add value to the property, and then finally the acceptance when the work is all done on the substrate.

00:10:54.030 --> 00:10:58.750

Earl Pfeiffer

The the uh inspecting local jurisdiction will.

00:11:00.390 --> 00:11:01.240

Earl Pfeiffer

Basically.

00:11:02.900 --> 00:11:10.620

Earl Pfeiffer

Approve your project and record the plat in the public record and now instead of 1 big lot you own several small lots.

00:11:13.720 --> 00:11:43.850

Earl Pfeiffer

So you decide you wanna move forward and build a subdivision. I talked last time about adding a little magic to your community. Basically on my experiences from being in Florida, I got to spend a lot of time in Disney and see how they created a lot of magic in the development and work that they do. And our goal was to try to bring some of that magic into our communities, trying to combat NIMBYISM, not in my backyard. So we created some first time home buyer.

00:11:43.940 --> 00:11:57.480

Earl Pfeiffer

Communities with amenities clubhouse, swimming pool and playgrounds, and basically there were five

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Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

phases in this current subdivision, although we did add a sixth phase and I think there may be even another one now that I've retired.

00:11:58.830 --> 00:12:04.990

Earl Pfeiffer

I wanna take just a second to talk about a community building a community clubhouse.

00:12:07.360 --> 00:12:08.430

Earl Pfeiffer

There is.

00:12:10.620 --> 00:12:37.600

Earl Pfeiffer

When you're developing a community, if you have a number of lots in there at some point, you're gonna need to have a homeowners association to take care of the property. And what we found in many of our early developments was that there was a homeowners association made up of homeowners. That association had a computer and some records and stuff. And what happened is from year to year, all those would go to somebody else's house and it became kind of a very disorganized process.

00:12:39.550 --> 00:13:10.540

Earl Pfeiffer

We found that putting in a small building that you can have your, your, your homeowners meetings in maybe have some covered dish suppers and maybe birthday parties or weddings in is a great amenity to community. It builds community spirit and it can be incorporated right into the cost of your development process. So if if you have the ability to do that and a little larger scale development, it's a great investment and I'm a great advocate for that.

00:13:12.010 --> 00:13:42.960

Earl Pfeiffer

So when you build a subdivision, depending whether it's a simple subdivision, a complex subdivision, whether you own the land, whether you're buying the land, there is a lot of activity happening. I've sequenced these in events and a logical progression. However, your event, your subdivision development may not follow that progression. So it depends on your experience and all the situations whether you follow this situation, the sequences, or you follow a different path. They all get you to the same place.

00:13:43.430 --> 00:13:45.600

Earl Pfeiffer

So the first steps are.

00:13:47.710 --> 00:14:08.520

Earl Pfeiffer

You're thinking about building the subdivision, so you have to start conversations with the lender. You have to begin to assimilate some development costs, get some idea what it's gonna cost and some clue where you're gonna get get the money to do this. And you know, it's really fun thinking about building this subdivision and talking about building the subdivision and working towards building 1. But.

Unedited Transcript

00:14:09.330 --> 00:14:14.570

Earl Pfeiffer

It comes to the bottom line. At some point. You've got to realize what the costs are and find the money to pay for it.

00:14:15.930 --> 00:14:37.500

Earl Pfeiffer

How many lots do you need? That's a. That's a real big question. And I think if we can pause for a minute, there is a an additional survey question as to how many lots per year each of you are building or anticipate building in the coming year. And following two or three years, how many logic per year do you want to be able to build?

00:14:38.170 --> 00:14:50.970

Vickey Stratton

Right. And I'm gonna interject there, Earl. So throw on the chat. How many homes do you currently build it a year or how many homes are you anticipating to build it a year? So if you wanna throw that number in the chat, that would be super back to you Earl.

00:14:51.460 --> 00:14:56.350

Earl Pfeiffer

OK. Thank you. And I will, but.

00:14:59.210 --> 00:15:03.400

Earl Pfeiffer

And see if I see any OK 10/13/16.

00:15:04.350 --> 00:15:05.680

Earl Pfeiffer

5 to 7.

00:15:09.130 --> 00:15:12.620

Earl Pfeiffer

10 to 15 sixteen 12 to 16.

00:15:15.590 --> 00:15:16.760

Earl Pfeiffer

OK so.

00:15:17.920 --> 00:15:25.290

Earl Pfeiffer

Let's just, for the sake of this conversation, we're we're gonna think about 15 homes a year. I guess that would be a.

00:15:26.480 --> 00:15:56.690

Earl Pfeiffer

A comfortable number to work with so you know you're gonna build for now, or you're gonna build for two 3-4 years down the road. Typically it takes about two years to develop a subdivision, so obviously you would like at least a two year supply out of it, which means you have to start working two years in

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Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

advance. So if that was the case, if you'd started now and took you two years, and then you built 30 lots, you'd be out of those lots by the by the end of two years, and you would.

00:15:57.120 --> 00:16:11.370

Earl Pfeiffer

Need to be in that process again, so we'll talk more about planning as we go forward, but it's really important to think about what your needs are today and for the short term future in less than five years. So what size lots.

00:16:13.620 --> 00:16:47.370

Earl Pfeiffer

So what size lots do you need? Start looking for a development team. Find a land planner which could be the engineer. Get to know your county land development code. I always suggest downloading a copy or reading a copy of the Counties Land Development code so you have somewhat of an understanding of what you're in for. Meet with your local governing officials and again you can discuss the process for subdivision development and then you should know this by now. But is there an affordable housing division or department within your?

00:16:47.690 --> 00:16:53.000

Earl Pfeiffer

Your city, your county jurisdiction, that overseas you and.

00:16:54.780 --> 00:16:55.550

Earl Pfeiffer

And.

00:16:58.390 --> 00:17:21.460

Earl Pfeiffer

And then you should get to know them. Hopefully you know them by now, but sometimes a local housing staff can help you work through the planning and zoning process because they have expertise in working with that department. Or you may just find a neighborhood champion, somebody that's maybe retired or been in housing for a long time and wants to work with you and help you. But you need to.

00:17:22.290 --> 00:17:29.480

Earl Pfeiffer

You know you need to get some expert team members on your team to help you plan for your new development.

00:17:30.250 --> 00:18:00.900

Earl Pfeiffer

So who do you need on your development team? Do you believe basically your development team? Is everybody you're gonna work with in the process of putting the development together, you're gonna have a real estate broker, a land planner, a professional engineer, a surveyor, lenders, environmental and soils engineers, real estate lawyer, a very strong accounting and financial person. Local jurisdiction authorities, site development contractor, a project manager. Someone either hired.

Unedited Transcript

00:18:00.990 --> 00:18:04.800

Earl Pfeiffer

Or part of your staff and maybe a landscape architect.

00:18:09.680 --> 00:18:38.820

Earl Pfeiffer

So the developer, their responsibilities are you're gonna acquire and develop the subdivision. You're going to assure the delivery of buildable lots to your specifications. Keep the community maintained throughout the entire process and throughout all sales. Maybe established an HOA. I mean, here's the thing. You're going to go through this process, you're going to develop a piece of land into a community and you wanna make sure through that through that construction process of your homes that.

00:18:39.370 --> 00:18:40.160

Earl Pfeiffer

The.

00:18:40.940 --> 00:19:10.710

Earl Pfeiffer

Property is looking good. It doesn't help you if the common areas are overgrown in your development or neighbors aren't taking care of. Homeowners aren't taking care of their property. So is it developer you want to make sure you're development stays pristine all the way through your sales because it'll help you in your sales effort and then make sure your site your site is safe. No open holes or places for kids to play that could cause them to get in trouble. And then.

00:19:11.470 --> 00:19:15.420

Earl Pfeiffer

We want to start marketing to our end buyer and I'll touch more on that in a little bit.

00:19:17.710 --> 00:19:32.580

Earl Pfeiffer

So selecting the site development engineer he he is gonna be one of the biggest partners you have in this project. So you wanna hire the best that you can afford. And I'm going to take a minute to to just touch on that.

00:19:34.330 --> 00:19:41.990

Earl Pfeiffer

When you're hiring this professional, they need to be a really good professional. I'm gonna talk about the traits that we need very shortly.

00:19:42.710 --> 00:19:43.040

Earl Pfeiffer

But.

00:19:43.830 --> 00:20:14.520

Earl Pfeiffer

I try not to work with volunteers where I can avoid it. The reason for that is, is that I wanna maintain control and if I have an engineer that volunteers his time for me on a subdivision I'm doing, they may be very busy doing other things and there's a lot of decisions and things that have to happen pretty

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Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

quickly and I want control over the people that are developing our community. So I try to find good professional people and pay them what they're worth to help us on the process.

00:20:14.580 --> 00:20:38.500

Earl Pfeiffer

And we lean on them very heavily for their expertise through the project. You could ask your land planner if he knows of an engineer, he may help you interview some engineers. You could talk to the government agency in your city or county that does plan reviewing and ask them for their recommendations. And lastly look on job sites to find signs for engineers who have done engineering project.

00:20:38.990 --> 00:20:40.150

Earl Pfeiffer

Class projects.

00:20:41.100 --> 00:20:54.960

Earl Pfeiffer

The site develop an engineer should be a individual that has experience in subdivision development. They should be a licensed professional engineer. Preferably they should have a staff.

00:20:56.510 --> 00:21:09.080

Earl Pfeiffer

They should be staffed. They should have. Maybe a surveyor team on there. They may have a professional staff. Secretaries, that receptionist. They may have field inspectors or field engineers that come out.

00:21:10.350 --> 00:21:40.120

Earl Pfeiffer

You want a big team because if you're developing a larger project, sometimes decisions have to be made and I've had experiences with small shops with an engineer and a part Time secretary. They don't really work real well unless you're doing a real small project and you don't need a lot of attention. But but there's a lot of activities that need to be monitored from time to time and you need to have an engineering firm that has the capacity to keep up with your demand because we're trying to build a subdivision in.

00:21:40.220 --> 00:22:10.500

Earl Pfeiffer

You know 9000 and 2000 and 80 days and so you need your engineer to be up on the game. It's nice if the engineering company also does surveying because then it avoids a lot of finger pointing that sometimes happens during the construction process. And so, you know, if they have a surveyor on their team, that's that's great. They want to obviously be in good standing with the local jurisdiction. They want to be solvent and profitable because I've worked with engineers at our solvent.

00:22:10.600 --> 00:22:43.410

Earl Pfeiffer

And profitable and engineers that are not and engineers that are not, are always chasing their own dollars trying to get paid. They're always asking for extra money for this or that. And you really need to

Unedited Transcript

work with somebody that has a little bit of staying capacity and some financial wherewithal and their team, you needed engineer, who's familiar with developing and development pricing, a good engineering firm, will bid out many projects for their clients. So very often they're going to be familiar with the costs and the subdivision.

00:22:43.680 --> 00:22:45.110

Earl Pfeiffer

As example, how much?

00:22:46.510 --> 00:23:00.880

Earl Pfeiffer

Does it cost to put in eight inch sewer ate at you know, 12 inch, 12 feet below grade so they should be able to help you get pricing on that and and then if they have any experience in affordable housing that's a bonus. That's a plus for you.

00:23:03.780 --> 00:23:30.330

Earl Pfeiffer

Finding land. I'm not gonna really spend a lot of time on that except to tell you that when I was with Florida home partnership, we had a hard time finding land and we did a got land campaign. That little logo sign right up here on the lower right side. It was a campaign we had. It said FHP is buying and we posted that everywhere and as a result we were able to acquire additional lots that we needed to build our subdivisions.

00:23:31.620 --> 00:23:32.250

Earl Pfeiffer

So.

00:23:32.360 --> 00:23:37.780

Earl Pfeiffer

A1 of the sources for finding land is to working with a real estate broker, realtor.

00:23:38.960 --> 00:24:08.910

Earl Pfeiffer

And I always suggest using a buyer's agent. If you call up from a sign that you see on a piece of property and you talk to the listing agent, he works for the seller. So his loyalty typically goes to the seller when you're a buyer, you would like a typically a buyer's agent to represent you, because you're gonna need to lean on them quite a bit. During this process. I always like working with brokers, even though I am one myself. I like working with brokers.

00:24:09.920 --> 00:24:10.850

Earl Pfeiffer

Because.

00:24:12.160 --> 00:24:43.700

Earl Pfeiffer

This whole project rests on closing on the land and and they will work really hard to help you stay favorable in the eyes of the seller so that you can get the property closed when you work with a buyers agent or a buyer's broker, you will probably sign an agreement with them that says I will be loyal to you.

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Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

You will be loyal to me and we will work together and a sum will be paid from the proceeds for your services. Typically if you buy a piece of land that has a.

00:24:43.920 --> 00:25:16.040

Earl Pfeiffer

For sale sign on it, there's already commissioned built into that structure and typically the seller will pay the Commission for both agents in that transaction. However, if you find a piece of property that's not listed and you want to go after it, it may be advantageous and negotiate the best price for that parcel and then out of your own pocket, pay the real estate broker for their services instead of asking the seller to pay for that. So that's a really negotiable opportunity for you there.

00:25:16.980 --> 00:25:45.390

Earl Pfeiffer

So you're gonna start building this subdivision. You think you might find a piece of land? You gotta start the dollar conversation. You gotta talk about money. It's gotta come in sometime. So you're gonna begin getting the acquisition and development dollars in place. You're going to contact housing assistance, possible housing assistance console, possibly about shop loans or other loan products. And they do have a really good line of funds that can help you with that process.

00:25:46.010 --> 00:25:54.660

Earl Pfeiffer

You can check with the local jurisdiction, maybe they have some federal funds or something that you could tap into for the development and or construction of the site.

00:25:55.190 --> 00:26:06.030

Earl Pfeiffer

Uh, talk to local banks, credit unions, nonprofit lenders, and then investigate other sources. So you gotta start that conversation at some point on the dollars.

00:26:06.780 --> 00:26:31.230

Earl Pfeiffer

So you're gonna get a real estate attorney involved. If you can. You don't have to have one, but it's advisable. And I look at real estate attorneys in two different classes, both of them are real estate attorneys. But one is a general real estate attorneys and the other May specialize in land use matters. Land use matters is perhaps a zoning. It may be accomplishing your title moments it may be.

00:26:34.300 --> 00:26:41.840

Earl Pfeiffer

Getting everything in place that you need, maybe HOA or subdivision documents? They can help you with that.

00:26:42.400 --> 00:27:01.720

Earl Pfeiffer

Umm. And preparing your contract that that's important. So if you have the access to an attorney, it's wise to use them. Money well spent. We had a volunteer attorney on our board when I was executive director and he was a was a real estate attorney. And so he was able to draft all of our documents.

Unedited Transcript

00:27:02.570 --> 00:27:09.510

Earl Pfeiffer

For acquisition of land, but I did work with a land use attorney to get my zoning and other pieces in place.

00:27:11.400 --> 00:27:33.510

Earl Pfeiffer

So you're gonna select the land, you gonna buy raw land or existing lots? You ask yourself, does it fulfill my vision? Looking at the neighborhood, the litmus test I always use. If I woke up here in the morning and looked out my window, what would I see? Is it pretty? Is it nice? Is it? Give me a good feeling. Or is it ugly and against you know?

00:27:34.650 --> 00:27:48.680

Earl Pfeiffer

Old buildings and railroad tracks and a lot of other unfavorable things, so if it's not good enough for you, probably it's not going to be good enough for your clients. And then look at what are the future growth and transfer this particular area where the property is located.

00:27:50.100 --> 00:28:03.560

Earl Pfeiffer

Look at what were the previous uses of the land that's important for understanding. If there could be any contamination on the property or the utilities nearby, do you need well and septic as a ground have good percolation for that.

00:28:05.480 --> 00:28:06.110

Earl Pfeiffer

And then.

00:28:08.150 --> 00:28:12.530

Earl Pfeiffer

Once you select the land then it would be time to to move forward and and.

00:28:13.290 --> 00:28:24.490

Earl Pfeiffer

Continue to investigate it a little bit further. I wanted to just make a mention to look at the sign here. We'll talk more about signage, but when we.

00:28:25.190 --> 00:28:52.000

Earl Pfeiffer

Go under contract with a piece of property. We get a permission from the seller to erect a coming soon sign, and we developed this sign for one of our amenity. Our communities in Ruskin and it starts the phone ringing which is something that you really need to do. I want to draw attention to the prices there. This was in the early 2000s. I sure would like to get houses out the door for the 80s.

00:28:53.060 --> 00:28:55.280

Earl Pfeiffer

Yeah. Today in today's market.

Unedited Transcript

00:28:57.030 --> 00:29:03.850

Earl Pfeiffer

But I'm gonna take just a second. Deviate a minute. I talked about this before. I'm gonna talk about it a lot.

00:29:04.590 --> 00:29:08.460

Earl Pfeiffer

What you want to do as a whether as a developer, whether you're.

00:29:09.140 --> 00:29:19.400

Earl Pfeiffer

Developing four lots or where they're developing 40 lots or 400 lots is you want to start activity as soon as you can on that property, you're gonna have to get.

00:29:20.220 --> 00:29:29.980

Earl Pfeiffer

Money from somewhere. And so the first question that any lender, anybody with money is gonna say, what's the demand for your development? And so if you are?

00:29:32.310 --> 00:29:34.280

Earl Pfeiffer

Posting signs with your phone number.

00:29:36.290 --> 00:29:52.700

Earl Pfeiffer

I would suggest opening up a getting a a form that you generate when somebody calls about the property you put down the date, their name, their address, their phone number to typical things I asked for the household income. What's the family size and.

00:29:53.850 --> 00:30:10.980

Earl Pfeiffer

Then we tabulate all of that information into a spreadsheet and Excel spreadsheet that would list the name of the clients, their household income, family size, and all of that. That and information. You just continue every day. At the end of the day, just put all that information into a spreadsheet.

00:30:11.780 --> 00:30:12.350

Earl Pfeiffer

Umm.

00:30:13.490 --> 00:30:44.260

Earl Pfeiffer

Before I left Florida home partnership, we were getting over 2000 inquiries a year, 2223 hundred inquiries a year. So when I would apply for funding, I would always include all of those spreadsheets, maybe 5060 pages that had the name of everyone who was calling in. So it's really, really important to show the demand and document that demand in the form of a simple spreadsheet that you can share with people that would like to invest. So they're just a little secret that that I've used and it works quite well.

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00:30:44.470 --> 00:30:57.520

Earl Pfeiffer

In the process. So you wanna make sure your land is clean. You wanna take somebody from your staff? Maybe you walk through the land, look for piles of debris or trash or old houses or anything. So you know what you can expect in there.

00:30:58.210 --> 00:31:29.050

Earl Pfeiffer

You can get a phase one site inspection and what that state phase one inspection shows is that if you hire a company to come in and they they do an evaluation, typically it takes a couple of months to go through that process, they'll take aerial photos and see what the history of that property is. If there is, you know pesticides on it or there's asbestos on it or whatever issues you have a site, a phase one site evaluation will be a study by an independent group.

00:31:29.260 --> 00:31:57.080

Earl Pfeiffer

That will give you probably 100 page report on the condition of your property and the last page or two has the conclusions and tells you whether you need to do more work or tells you what you could do to remediate some of the challenges that are on there. And if you're going to get funding from federal sources of phase one is usually something that's required in the process and you wanna make sure the land is clean and you don't have any contaminant or pollution issues. So you wanted to find a design that works for you.

00:31:58.260 --> 00:32:13.370

Earl Pfeiffer

You can start out with land planner with yourself. You buy a piece of property. How am I gonna best get the best usage out of this? You can lay out some sample lots and just start with a hand sketch just to give you an idea of what the property is going to yield for you.

00:32:16.450 --> 00:32:28.700

Earl Pfeiffer

This is probably the heart of what I do in creating the development as a sources and uses chart, all of you that are in nonprofit work have probably used these at one time or another.

00:32:30.550 --> 00:32:31.700

Earl Pfeiffer

And UM.

00:32:32.830 --> 00:32:41.710

Earl Pfeiffer

This uh chart across the top are the sources of funding. I have, CDBG funding, ship funding, home funding.

00:32:42.460 --> 00:33:12.610

Earl Pfeiffer

Ship funding it's recycled chip funding, shop funding, recycled shop funding, and then alone and so on the left. Those are my sources across the top on the left side coming down or my uses. Land cost

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

appraisal, basically all your cost survey, environmental, geotechnical site work, site signage all the way down to the end. You total it up and you'll find that some of the some of the.

00:33:12.860 --> 00:33:37.140

Earl Pfeiffer

Costs can be covered by some funding agencies, but they they won't. They will fund one thing, but they won't fund another, and so you have to be careful as to what you're paying from what funds. But this sources and uses is a living, working document. It's a simple spreadsheet. I am not a financial wizard at all, but I can create a simple spreadsheet like this.

00:33:38.180 --> 00:33:44.610

Earl Pfeiffer

And basically begin when I start estimating, plug all my costs in here.

00:33:46.390 --> 00:33:50.300

Earl Pfeiffer

You know, if I don't know a number, I'm gonna work as hard as I can to get it.

00:33:52.530 --> 00:33:55.060

Earl Pfeiffer

Get an estimate of it and plug in my estimates.

00:33:55.710 --> 00:34:08.160

Earl Pfeiffer

This whole project down here at the bottom was costing one million, 500 and \$56,000 at 71. Lots came out to \$21,922 per lot.

00:34:09.380 --> 00:34:30.530

Earl Pfeiffer

Typically I always have a date on this, but this was way outdated and so I had the date taken off of here. Off of this form for the presentation, but you can modify this always looking at the current date to make sure you have the current version of it, but it is a good way to begin putting down your numbers and coming up with some costs to put the project together.

00:34:32.470 --> 00:34:41.540

Earl Pfeiffer

So you're gonna go into a contract and you want to extend the closing date as long as you possibly can.

00:34:43.210 --> 00:35:13.900

Earl Pfeiffer

You have a lot of work to do. You wanna get your title ments and in place before closing. You want your zoning done. You wanna make sure you can get water and sewer utility. You can get everything that you need before you close. You don't have to do that. But if you're gonna buy a piece of property that's zoned agricultural, maybe 10 acres and you wanna put 40 homes on it, you better know that you're able to do that before you invest the money and closing the property.

00:35:14.160 --> 00:35:34.850

Earl Pfeiffer

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

So typically you try to get all your entitlements, your zoning, and all your utility commitments in place before you go and close on the land. So if you're gonna develop a real estate contract, as I mentioned, we had a board attorney, it was aboard, he's an attorney, and he was a member of our board and worked on a A.

00:35:37.740 --> 00:35:38.800

Earl Pfeiffer
He he.

00:35:39.690 --> 00:35:44.100

Earl Pfeiffer
Develop the workforce the developed our real estate contracts for us.

00:35:45.420 --> 00:36:10.110

Earl Pfeiffer
And it's best to work with a real estate attorney. If you can't, you could use a standard land contract, but you'd wanna probably add some provisions, but at a minimum, your land contract should have the following information. Who are the parties to this contract? Who are the buyers and sellers? What's the legal description of the property? What's the price and terms? What's the size of the parcel?

00:36:12.640 --> 00:36:33.450

Earl Pfeiffer
Who's gonna hold the escrow and what's the escrow amount? What's the closing date? The closing location? Basically all the standard items that you would find in in your states land contract, but then you'll wanna add some special provisions like that. The seller is aware of no environmental hazards on their property that the seller will allow the buyer to obtain zoning.

00:36:35.220 --> 00:36:39.220

Earl Pfeiffer
Before the closing at the buyers expense and that the seller will.

00:36:40.120 --> 00:36:55.190

Earl Pfeiffer
Cooperate with the buyer to obtain zoning. Now many times a farmer or someone will sell a piece of property, does not have proper zoning and and in those situations we would ask for them to work with us and our.

00:36:55.930 --> 00:37:00.490

Earl Pfeiffer
Our leverage with them, if you can call it leverage or our our.

00:37:03.330 --> 00:37:04.110

Earl Pfeiffer
Our.

00:37:05.860 --> 00:37:15.820

Earl Pfeiffer

Unedited Transcript

To get them to cooperate with us, we tell the zoning, the the sellers that we're gonna survey the property. We're gonna do boring on the property we're gonna do.

00:37:16.970 --> 00:37:22.540

Earl Pfeiffer

Traffic counts. We're gonna do all kinds of work that needs to be done to this to this parcel, so.

00:37:23.590 --> 00:37:27.410

Earl Pfeiffer

If we're not able to close for some reason, we will give the.

00:37:28.850 --> 00:38:00.740

Earl Pfeiffer

We will give the seller all of the information that we have obtained, so they will probably end up with a a rezoned piece of property and all the supporting documentation to go with it. So also special items to include is that the properties adjacent to a public roadway, that there's no spike strips or individual property lines between your property and the street right of way that the seller will furnish copies of all available report surveys, inspections that they have and finally that they will allow you to erect at closing.

00:38:00.820 --> 00:38:05.980

Earl Pfeiffer

Soon are coming soon. Sign on your property as soon as you you acquire it.

00:38:09.800 --> 00:38:40.290

Earl Pfeiffer

I wanna talk about zoning bonuses, density bonuses, bonuses that you may get affordable housing bonuses you may be entitled to, something that you want to consider in your development. A density bonus means that you would get more lots because you're building affordable housing. It's restricted to affordable housing in the initial sale, they may give you a reduced setbacks, waive some fees, expedited permits and plan reviews.

00:38:40.530 --> 00:39:10.720

Earl Pfeiffer

In reduced impact fees and possibly even donations from a municipal tree bank. So these are all things to check out and I'd be glad to go into detail more on those if we have any questions at closing. So you're gonna work with your seller to apply for the zoning and give them the incentive that if you don't close on the property, that zoning becomes the errors completing the zoning can take 3 to 12 months depends on where you are. You need to assure your zoning before closing and again promise the buyer of that.

00:39:11.370 --> 00:39:38.860

Earl Pfeiffer

If you don't close all that information becomes theirs. Creating an image is really important for the reason I suggested. We started developing subdivisions of pretty generic way. One of my coworkers back at the time, Hope told me that we need to create communities that compel buyers to feel good about themselves. The upper left sign was called homes for why Mama and that was the last.

Unedited Transcript

00:39:39.510 --> 00:39:52.780

Earl Pfeiffer

Name of that type. From then on we came to Nice name Sunset Hills by your past Hidden Creek Summer view oaks. And so we try to create an image for each of the communities that we develop.

00:39:53.880 --> 00:39:59.660

Earl Pfeiffer

So we're going to start developing the specifications for the land and.

00:40:00.880 --> 00:40:04.390

Earl Pfeiffer

Developing a subdivision is a lot like buying sausage from the butcher.

00:40:06.310 --> 00:40:25.100

Earl Pfeiffer

The longer the sausage, the more expensive is. I was told this by a land developer back in my early days of developing and in a subdivision. The more St frontage you have on every lot, the more expensive it becomes. So it's kind of like sausage. You wanna cut it into the smallest pieces to get the most.

00:40:26.640 --> 00:40:32.470

Earl Pfeiffer

For your money, the most development when you're developing a subdivision subdivisions.

00:40:34.130 --> 00:40:50.660

Earl Pfeiffer

When you're building a home, you're lot drainage is one of three different types. It's a type A where everything which I think is the most common, where everything drains to the street. There is a Type B where the front yard slopes and drains to the street in the backyard drains.

00:40:51.370 --> 00:40:56.240

Earl Pfeiffer

Somewhere in the back, maybe a retention pond or something, and then the type C which is.

00:40:58.050 --> 00:41:02.400

Earl Pfeiffer

I'm sorry, a Type B is front and back and a type C everything drains to the back.

00:41:03.780 --> 00:41:11.860

Earl Pfeiffer

So I prefer to develop lots that are 50 by 100 that meets the codes and the jurisdictions I've worked with.

00:41:12.480 --> 00:41:12.910

Earl Pfeiffer

Umm.

00:41:13.860 --> 00:41:44.350

Earl Pfeiffer

And I've discovered that in doing that, I come out with about 3.8 to 3.9 homes per acre after I deduct Housing Assistance Council

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common area space streets, sidewalks, playgrounds, rights away, drainage, retention, amenities, lift stations. So when I, if I look at 8820 acres, I know I'm gonna get somewhere short of 80 lots. So it's just a number. When I use 50 by 100 lots by the time you take everything else out of there, you end up with.

00:41:44.670 --> 00:41:55.440

Earl Pfeiffer

About just under 4 lots to acre. So you wanna take advantage of everything in the developing stage you want let me back up one here.

00:41:57.050 --> 00:42:01.070

Earl Pfeiffer

You wanna work to grade your soils to the exact inch?

00:42:02.200 --> 00:42:31.880

Earl Pfeiffer

And whether you grade your property and the type AB or C drainage pattern when you develop a subdivision, you'll end up with if it's a complex subdivision, it'll have streets in it and infrastructure in. And it's better if you can ask your engineer to grade the property close to what it'll be when you deliver the home. There is a thing called table topping where you buy the the you build the subdivision. The developer comes in and makes all the.

00:42:31.970 --> 00:43:01.450

Earl Pfeiffer

The site developer makes all the land level like the top of a table. Then you come in and you have to create your soils. Typically that's gonna cause you to have extra dirt that you needed to have imported in, and then you've got to pay to have it hauled out. So you want to try to the best of your ability to get the lands worked in this tight as you can work with your engineer, work with your builder to get the specifications exactly as you need them. So you'll develop lots that are.

00:43:02.040 --> 00:43:03.930

Earl Pfeiffer

Close to really close to what you need.

00:43:05.020 --> 00:43:06.650

Earl Pfeiffer

So you're gonna have.

00:43:09.220 --> 00:43:38.210

Earl Pfeiffer

Uh, all the facts you've been collecting facts now you need to analyze those facts. You need to develop a proforma that says it's gonna cost me this much to develop the land. And I can sell it for this much. It's gonna work. I'm going to notice that things are beginning to make sense. They work a sleep on it a couple of days. And if moving forwards the right thing to do, you're going to kind of sense it internally. And if it's wrong, you're going to find out. You're making excuses. Well.

00:43:38.490 --> 00:43:48.590

Earl Pfeiffer

Unedited Transcript

You know I can't get the zoning or the water doesn't work or we got site issues that we can't conquer, so you need if you're gonna make the decision to go forward.

00:43:49.130 --> 00:44:01.920

Earl Pfeiffer

Umm, you're gonna take that due diligence and you're gonna say either I'm gonna go forward or I'm gonna stop. This is really your last chance. Your last exit ramp to get off before you decide if I want to take this project forward.

00:44:03.560 --> 00:44:24.200

Earl Pfeiffer

So you begin to test your assumptions. You've decided to move forward. You're gonna start spending money a little bit. You're gonna start with the zoning. You need to get an appraisal to see if that property appraises for what the if each. If the 71 lots were \$21,000 apiece, do they appraise is it, is it work for us?

00:44:25.580 --> 00:44:26.590

Earl Pfeiffer

And.

00:44:27.750 --> 00:44:31.450

Earl Pfeiffer

And then what's the time and you need to begin to look at your timing on the process?

00:44:32.820 --> 00:44:58.730

Earl Pfeiffer

When you have a good project going forward, others begin to support it. The stars begin to align. You begin to attract a minimum momentum, and basically everybody wants to be part of a winning project. You're gonna see people coming out of the war work to help you move this project forward. So at this point, you're gonna move forward. You now gonna start to spend more money. You're gonna do soil samples. The engineer is going to.

00:44:59.980 --> 00:45:30.900

Earl Pfeiffer

Began to test the soil. He's gonna they're boring holes to see. What is the ground like underneath where the roads are gonna be the home. So they know how to develop the project. They're going to do traffic studies, which measures existing traffic to see if the impact from your subdivision will require turn lanes or additional roadway width. You'll develop a preliminary plan and meet with the government agencies, and you're going to continue to develop your cost estimates. And that's.

00:45:31.000 --> 00:45:32.490

Earl Pfeiffer

An ongoing process.

00:45:35.360 --> 00:45:49.890

Earl Pfeiffer

So prior to closing, you're gonna get your zoning in place. Get your conceptual, conceptual, preliminary

Unedited Transcript

site plan in place and get your utility commitments in place for water, sewer, and all the utilities that basically that you need.

00:45:51.650 --> 00:45:52.440

Earl Pfeiffer

So.

00:45:54.260 --> 00:46:10.710

Earl Pfeiffer

At this point, you're going to make a decision to go forward, have faith, Leap and the net will appear. Your new due diligence is now behind you and you begin to spend even more money. Now you're gonna close on the land once you close on the land, you can start to fully design it.

00:46:12.210 --> 00:46:18.180

Earl Pfeiffer

You may hire the staff that you need and again, turning back is really not an option at this point.

00:46:20.180 --> 00:46:27.020

Earl Pfeiffer

I'm going to add I've got four slides here that I want to just touch on really quickly for insurance and bonding.

00:46:29.870 --> 00:46:58.350

Earl Pfeiffer

Bonding is an agreement to guarantee compliance or performance. So if I build a subdivision and a develop the jurisdiction wants me to provide a warranty bond, that means I'm going to invest in a bond that shows that if there are any failures in this subdivision, I will commit to repairing them in the warranty period, which is a year or two years.

00:46:59.580 --> 00:47:05.610

Earl Pfeiffer

So I will begin to get the bonding for that. That's that's basically what a bond is.

00:47:07.360 --> 00:47:18.620

Earl Pfeiffer

Two tight basic two types in all construction is general liability, which covers the owner of the contractors, the developers liability, and there's working compensation in case.

00:47:20.620 --> 00:47:48.320

Earl Pfeiffer

In my job and interesting thing is that if you are a contractor or you do building and you have a workers comp policy and you own this subdivision, it might be that if you hire A general contractor or a site development contractor and they have workers comp, that's workers comp covers everybody working on that project, whether they're employees of that company or not. If we have a.

00:47:49.500 --> 00:47:50.210

Earl Pfeiffer

Type.

Unedited Transcript

00:47:51.180 --> 00:48:10.330

Earl Pfeiffer

Development contractor that hires a trenching contractor, for example, and that trenching contractors, workers comp expires, that's gonna have to be paid for under the developers workers comp policy. And if their policy expired, then it's going to go up to your policy.

00:48:11.450 --> 00:48:22.360

Earl Pfeiffer

So everything runs uphill in the terms of liabilities. The attorneys want to see who they can get their fingers into. So I would suggest as an organization, if you have 100,000,000 hundred.

00:48:23.090 --> 00:48:36.610

Earl Pfeiffer

If you have \$1,000,000 workers comp and \$1,000,000 general liability coverage that you always require that any contractors or developers that work for you carry at least that same amount of coverage as you have.

00:48:38.960 --> 00:49:02.320

Earl Pfeiffer

Basically covered those two types of insurance workers comp. General liability on a site development project, there is gonna be automobiles and vehicles there. So you probably wanna have a automobile policy for \$1,000,000 policy as well required by your site development required from your site development contractor.

00:49:03.760 --> 00:49:10.860

Earl Pfeiffer

Different types of bonds that are available. A bid bond. You may ask that your your bidders submit.

00:49:13.240 --> 00:49:38.200

Earl Pfeiffer

A bid bond when they submit their proposal that shows if you award them, they will be able to deliver the project assurity bond assures the municipality that developer will complete the improvements to public infrastructure and development required per the plans and specs, and then a payment and performance bond. You may require that to demonstrate that your.

00:49:39.550 --> 00:49:45.400

Earl Pfeiffer

Development contractor will be able to pay and will pay all his labor and.

00:49:46.770 --> 00:50:17.220

Earl Pfeiffer

And supply bills. I typically don't like working with those types of bonds because they've become cumbersome and the project and then the third session, we'll talk about some ways that we can work with the contractor to basically offset those and then finally improvement, warranty bond as I had mentioned, basically covers the warranty period and many nonprofits have a difficult time getting bonds. Bonding is something that.

Unedited Transcript

00:50:17.480 --> 00:50:41.860

Earl Pfeiffer

You've got to have some financial capacity in order to obtain a bond, and if you can't get one on your own, you may wanna work with your contractor to see if they can assist in getting bonded because most site development contractors have a pretty good bonding capability and that really takes us to the end. I covered a lot of ground pretty quickly. I'm sure there'll be some questions and be glad to take any questions that there are.

00:50:47.910 --> 00:50:53.220

Vickey Stratton

So at this point you can type your question in the chat.

00:50:54.230 --> 00:50:59.160

Vickey Stratton

Or if you would like to raise your hand and we, you could unmute to ask your question.

00:51:03.230 --> 00:51:04.860

Vickey Stratton

Questions are welcome.

00:51:07.990 --> 00:51:08.520

Vickey Stratton

Jason.

00:51:09.370 --> 00:51:30.270

Jason Tickle (Guest)

Yeah, hey. Uh, thank you so much. This is very timely and much appreciated. I have a question a little bit about the bond and insurance type of things. I normally try to have a subject matter expert on my board and all the fields I work with and I've never really thought of insurance until now. So I'm just wondering what type of.

00:51:31.200 --> 00:51:43.360

Jason Tickle (Guest)

You know, so I can get more advice on this. What type of subject matter expert would a local insurance agent be somebody who would know this type of stuff? Or is there a more specialized type of?

00:51:44.940 --> 00:51:50.390

Jason Tickle (Guest)

Subject Matter expert that I could seek out in my community that can help me with some of these questions I have.

00:51:51.130 --> 00:51:54.160

Earl Pfeiffer

You know, it all depends on where you're where you're located.

00:51:55.820 --> 00:51:56.680

Earl Pfeiffer

If you're.

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

00:51:57.370 --> 00:52:01.210

Earl Pfeiffer

Uh. In a getting a little feedback here, I'm not sure why.

00:52:02.430 --> 00:52:15.190

Earl Pfeiffer

If your local if you're located near a larger city, there may be more of an availability of specialists as focus on spot on bonding. My my best recommendation would be to ask your your.

00:52:16.020 --> 00:52:47.080

Earl Pfeiffer

Design engineer your civil engineer. Who do you know that does the most subdivision bonding? Who do you think I can develop a relationship with? And you know those those relationships basically take a long time. The first time we got a subdivision bond. It was really, really difficult. If I had known I had to get a subdivision bond, I probably I may have not ever done a subdivision development, which is one reason that you know you you keep moving this thing forward and you deal with all the obstacles as they come up.

00:52:47.410 --> 00:52:47.750

Earl Pfeiffer

But.

00:52:49.160 --> 00:53:00.850

Earl Pfeiffer

In our instance, we had to apply for the bond. Our financial strength at that point was not real strong. The bond amount wasn't real high and then we had a guaranteeer.

00:53:00.930 --> 00:53:24.100

Earl Pfeiffer

Umm, cosine or application for bond after that initial bond period, then in the next subdivision we went back to the bonding agency and they worked more with us. They're they're committing their money in case you don't stand up to do what you're supposed to do. So it's. It would probably be your civil engineer would be a great place to start asking him who? Who they work with.

00:53:26.630 --> 00:53:30.550

Vickey Stratton

Thank you, Earl. We do have a couple of questions in the chat.

00:53:31.110 --> 00:53:37.650

Vickey Stratton

Umm do these principles apply equally if multifamily housing is part of the plan?

00:53:40.660 --> 00:53:55.970

Earl Pfeiffer

I think it can, you know, developing land is developing land will, you know, I've developed them for townhomes and single family homes. So it's it's just a different skill set. You need different knowledge. It could be a mixed community. So I think a lot of it's the same.

Unedited Transcript

00:53:58.350 --> 00:54:13.810

Earl Pfeiffer

You know it's it's just all lot of it depends on the development. But conceptually I would say if I was making this for developing a multifamily property, I'd probably change some of the slides, but essentially a lot of it is relatively the same thing.

00:54:14.920 --> 00:54:17.090

Vickey Stratton

OK. And Bill has the question of.

00:54:18.960 --> 00:54:29.050

Vickey Stratton

Infrastructure and community at minorities are always challenging. Did you find subsidy to cover those, or did you have to raise home prices to cover those?

00:54:30.090 --> 00:54:32.140

Earl Pfeiffer

With that, Bill Lazar that asked that question.

00:54:32.980 --> 00:54:33.510

Vickey Stratton

Yes.

00:54:34.240 --> 00:54:35.710

Earl Pfeiffer

I'm not. I'm not surprised.

00:54:37.210 --> 00:54:39.130

Earl Pfeiffer

She's the one that's going to make me think this morning.

00:54:40.290 --> 00:54:41.600

Vickey Stratton

He's laughing too.

00:54:43.040 --> 00:54:47.860

Earl Pfeiffer

So so you have a whole site development budget. I mean you're.

00:54:48.100 --> 00:54:48.500

Earl Pfeiffer

Uh.

00:54:50.380 --> 00:54:52.170

Earl Pfeiffer

You're bringing in infrastructure.

00:54:53.850 --> 00:55:05.980

Earl Pfeiffer

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

You know, you look at the entire project and it's total cost acquisition, the engineer and the infrastructure, landscaping, basically everything you have to do to get it completed development and and then essentially.

00:55:08.660 --> 00:55:17.180

Earl Pfeiffer

You know, that's your budget and then you've got to find your different sources that that will work with you to provide.

00:55:18.110 --> 00:55:33.220

Earl Pfeiffer

Funding mechanisms and yeah, and it's just all over the place, the Federal Home Loan Bank is another process. They're hard to work with. It's their money's good. But you know, there's a lot of reporting documents that have to to be a part of that as well. So.

00:55:35.150 --> 00:55:58.120

Earl Pfeiffer

But it is it's, you know, it all falls into the budget. You just have to go on a mission. Whether you can get, you know, home funds from your local jurisdictions, whether you can get CDBG funds where you can get money, you know, just depends on the type of development that you're doing in the funds that you get. So that's kind of hard to answer in a general question.

00:55:59.350 --> 00:56:05.330

Vickey Stratton

OK. And Sylvia asked, is there a template of the calculation spreadsheet available?

00:56:08.050 --> 00:56:09.180

Vickey Stratton

We're not could work on that.

00:56:10.360 --> 00:56:12.770

Earl Pfeiffer

To tell me the ask me that again, please, Vicki.

00:56:12.820 --> 00:56:17.260

Vickey Stratton

For the calculation spreadsheet as she wants, if there's a template for that.

00:56:18.840 --> 00:56:19.400

Earl Pfeiffer

Uh.

00:56:20.830 --> 00:56:23.980

Earl Pfeiffer

When you are you like the sources and uses, is that the?

00:56:23.600 --> 00:56:26.570

Vickey Stratton

Uh, when? I'm thinking she's if you could answer that, Sylvia.

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

00:56:28.110 --> 00:56:32.540

Vickey Stratton

She also has another question, is there a network or practitioners available?

00:56:34.710 --> 00:56:37.440

Vickey Stratton

For persons that want to start getting familiar.

00:56:38.130 --> 00:56:48.920

Vickey Stratton

With Stephanie studied there, one needs to get familiar with this sector in business. So are there a network of other people that are available for persons to get familiar with us?

00:56:52.680 --> 00:56:59.940

Earl Pfeiffer

Hack is a great resource for that. They offer a lot of training and and and conferences you know locally.

00:57:01.390 --> 00:57:02.560

Earl Pfeiffer

Some communities.

00:57:03.530 --> 00:57:19.920

Earl Pfeiffer

You know, they they work together well in the community. The nonprofits can can work together and plan, and they're not threatening each other all the time. But they can work together for the better good of things. You know, it's it's really a regional thing on a national point.

00:57:21.280 --> 00:57:40.750

Earl Pfeiffer

National perspective, you know, really hack comes to my mind. It's the first thought that came to my mind, but I'm I'm not sure of others. As far as the if if she was talking about the sources and uses form that I had displayed and talked about. That's just a very simple Excel spreadsheet.

00:57:42.090 --> 00:57:45.800

Earl Pfeiffer

And and I can put it together. Basically anybody can and.

00:57:45.870 --> 00:57:46.260

Vickey Stratton

It's.

00:57:46.930 --> 00:57:53.760

Vickey Stratton

We shared it in the we did share that in the chat. So we do have that in the chat for her as well. Another question is.

00:57:47.110 --> 00:57:47.690

Earl Pfeiffer

Get fun.

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

00:57:51.080 --> 00:57:51.500

Earl Pfeiffer
OK.

00:57:55.230 --> 00:58:08.370

Vickey Stratton

Michael wants to know is you offer a range of sources in your spreadsheet. We haven't worked with shop or shipped grants in the past. Do you find these easy to locate and navigate?

00:58:09.270 --> 00:58:33.820

Earl Pfeiffer

Well, ship is a it depends on where you are. Ship is a state housing initiative program for Florida. So if you're in Pennsylvania, you're not gonna find a ship program. But in Florida, it's increasingly difficult. I can ask Bill Lazar about that, too. It's increasingly difficult to get your hands on ship funds because they're not always there, any diminished somewhat. But that's a story for another day.

00:58:34.290 --> 00:58:38.930

Earl Pfeiffer

Uh shop funds is a hop is a HUD.

00:58:40.400 --> 00:58:51.930

Earl Pfeiffer

Program for self help housing habitat uses it. The USDA self help grantees use it, but if you're building individual homes, that's not something that is applicable.

00:58:53.590 --> 00:59:22.180

Earl Pfeiffer

We talked about doing a whole section on funding as a fourth component to this, but it's really very dependent on jurisdiction. So you know you, you just, you really gotta begin to know the lay of the land and I'm going to take this one minute here to to advocate for, for getting out into the community and open your mouth, go into your, your your county affordable housing office going to public meetings.

00:59:22.320 --> 00:59:27.770

Earl Pfeiffer

Trying to understand the resources that are available and for development.

00:59:30.520 --> 00:59:36.850

Earl Pfeiffer

Working with your sheeting to find an uncolored resource so.

00:59:37.430 --> 00:59:37.950

Earl Pfeiffer

Probably.

00:59:39.280 --> 00:59:39.820

Earl Pfeiffer

Hopefully.

Unedited Transcript

00:59:42.260 --> 01:00:13.150

Earl Pfeiffer

Once you get into a project, they start to show up and you begin to hear about them. You begin to inquire about them, but there's not a national database that I'm aware of that provides funding. So you know, it's just going to take some creativity and the best advice I have is be proactive in your community and start long before you develop the to find and identify those sources and work to see that they're they fit the need and they fit.

01:00:13.530 --> 01:00:15.960

Earl Pfeiffer

The developments that you're trying to work on?

01:00:18.610 --> 01:00:27.720

Vickey Stratton

That's great advice. Jeffrey would like to know is do you charge a developer fee to the end user? If so, was the percentage.

01:00:32.820 --> 01:00:35.290

Earl Pfeiffer

Most of these developments were.

01:00:36.610 --> 01:00:50.720

Earl Pfeiffer

At uh, we're done in the USDA Self Help housing program in that program, as a grantee of the USDA, we would get a fee for building the homes.

01:00:51.490 --> 01:01:01.580

Earl Pfeiffer

So we put the development and everything, all of our administrative costs into one package and and we would get grants to do that typically.

01:01:03.620 --> 01:01:05.170

Earl Pfeiffer

I I there was really.

01:01:05.890 --> 01:01:12.540

Earl Pfeiffer

But we don't. I haven't historically added it a delvelopment fee, however.

01:01:13.900 --> 01:01:14.230

Earl Pfeiffer

If.

01:01:15.430 --> 01:01:34.620

Earl Pfeiffer

If you're not in the self help program, then you could really if if it costs you \$25,000 to develop a lot and the appraised value for that lot is \$35,000 and you've got your home construction, your lot costs everything else, so long as the total fits under the approved.

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

01:01:36.560 --> 01:01:43.480

Earl Pfeiffer

The appraised value? You're certainly welcome to to charge that, and as a whole package for what? The house.

01:01:44.320 --> 01:02:08.570

Earl Pfeiffer

Would be if I'm gonna retail lots. If somebody wants to buy a lot from me, then we would. We would discuss that on a case by case basis. And I don't really have a percentage that I use. It's just you know it's basically the difference between the cost and the value what the land is worth, how much equity is in there, you're entitled to that as a developer just like a private developer whether you choose to claim it or not, that's a whole separate issue.

01:02:10.180 --> 01:02:21.720

Vickey Stratton

Michael had the question of do you sell at market price or can you build with a mine to maximize affordability while still building quality building?

01:02:25.060 --> 01:02:31.050

Earl Pfeiffer

I don't know what market price is. I mean, I'm a real estate broker, so I kind of understand market price, but in affordable housing.

01:02:31.610 --> 01:02:32.190

Earl Pfeiffer

UM.

01:02:33.530 --> 01:02:36.270

Earl Pfeiffer

You know, building affordable housing is really all about.

01:02:36.930 --> 01:03:02.850

Earl Pfeiffer

What can I put in that this person can afford? And that's really the limit. I mean, if if you're limited to people that are at at 80% of median income and the interest rate is 5%, the total maximum mortgage amount is gonna be obvious probably for every client that you serve. So your goal is to stay under that or at that amount so that they can afford to buy it so.

01:03:02.930 --> 01:03:03.590

Earl Pfeiffer

Umm.

01:03:06.630 --> 01:03:18.250

Earl Pfeiffer

So no, I don't really have a a standard markup, but basically it's it's it's really the difference between the cost and what the appraised value is and what your client and and most important what the client can afford.

Unedited Transcript

01:03:07.890 --> 01:03:08.180

Vickey Stratton
That.

01:03:19.320 --> 01:03:22.690

Vickey Stratton
Right and working with self help. I think that's a difference.

01:03:23.900 --> 01:03:25.050

Vickey Stratton
Way to go as well.

01:03:26.560 --> 01:03:29.280

Vickey Stratton
Then last question we have is have you utilized?

01:03:30.030 --> 01:03:32.360

Vickey Stratton
TIFF, TIFF for home ownership.

01:03:34.340 --> 01:03:36.400

Earl Pfeiffer
I don't know what that is. I not.

01:03:38.540 --> 01:03:38.780

Earl Pfeiffer
And.

01:03:39.600 --> 01:03:41.540

Earl Pfeiffer
Ask HIF is what it.

01:03:41.260 --> 01:03:44.760

Vickey Stratton
Yeah, TI tax increment financing.

01:03:45.460 --> 01:03:47.730

Vickey Stratton
Have you alize tax in Internet?

01:03:45.710 --> 01:03:46.140

Earl Pfeiffer
No.

01:03:46.880 --> 01:03:49.500

Earl Pfeiffer
I have I I personally have not.

01:03:52.970 --> 01:04:12.870

Vickey Stratton
Housing Assistance Council

Unedited Transcript

OK, we like to Earl has shared a lot of good information today about subdivisions. So at this time, we would like to thanks everyone, but don't leave if you wanna hang out for the learning tool, which is a bid document that Earl has that he's going to go over with everyone that's still wants to hang out with us.

01:04:14.950 --> 01:04:21.520

Vickey Stratton

And don't forget to sign up for the third webinar, which is on May 25th, and that will that will take us to the completion.

01:04:15.240 --> 01:04:15.660

Earl Pfeiffer

Thank you.

01:04:22.470 --> 01:04:32.520

Earl Pfeiffer

Right. That's two weeks from the day and this this next subject is on a is is preparing the bid documents for.

01:04:24.800 --> 01:04:24.980

Vickey Stratton

Yes.

01:04:34.840 --> 01:04:53.680

Earl Pfeiffer

For an actual development process, and if you're gonna develop a subdivision and you wanna put it out to bid, this package is basically everything that you're gonna need. And I need to get some guidance from you, Vicki. As to how do I get to my next session.

01:04:55.120 --> 01:05:00.790

Earl Pfeiffer

Or from Dan or somebody behind it up. There we go. OK there, but just.

01:04:55.180 --> 01:04:55.800

Vickey Stratton

It's always.

01:04:58.330 --> 01:04:58.820

Vickey Stratton

Here we go.

01:05:00.060 --> 01:05:02.110

Vickey Stratton

That was my next question as well. You got it.

01:05:02.350 --> 01:05:09.640

Earl Pfeiffer

Magic. Now the next question is how do I make it work that work? There I go about it, OK.

Unedited Transcript

01:05:11.130 --> 01:05:13.330

Earl Pfeiffer

OK, let me see that.

01:05:12.560 --> 01:05:15.880

Vickey Stratton

So we do have in the chat while Earl's looking at that, we do have in the chat.

01:05:17.380 --> 01:05:23.790

Vickey Stratton

The sample bid documents, so if you would like to to I think you can download a copy of it.

01:05:24.440 --> 01:05:32.410

Vickey Stratton

From the chat, so look at the chat. It says sample bid documents. It's in highlighted in blue and you should be able to get to those these stupid documents.

01:05:34.830 --> 01:05:36.220

Earl Pfeiffer

I can't move this.

01:05:36.910 --> 01:05:37.400

Earl Pfeiffer

I'm.

01:05:38.720 --> 01:05:41.190

Earl Pfeiffer

I don't know what I need not there we go. OK, there we go.

01:05:39.510 --> 01:05:41.330

Stephanie Nichols

You'd have to share on your screen, Earl.

01:05:42.940 --> 01:05:44.670

Earl Pfeiffer

I am, am I not shared?

01:05:45.190 --> 01:05:45.740

Vickey Stratton

You are.

01:05:46.310 --> 01:05:46.760

Earl Pfeiffer

OK.

01:05:46.660 --> 01:05:47.080

Vickey Stratton

I see it.

Unedited Transcript

01:05:46.690 --> 01:05:47.600

Stephanie Nichols
I think Dan's share.

01:05:46.870 --> 01:06:00.170

Daniel Stern
It's OK, Earl, this is Dan. Yeah, I if you need me to click through it, it can you probably. You might need to click actively with your mouse and then start paging up and down. But I can easily go through it. Ohh, there you go.

01:05:59.510 --> 01:06:00.300

Earl Pfeiffer
OK, let's see.

01:06:01.900 --> 01:06:05.780

Earl Pfeiffer
So this is what we're gonna go through is a is a.

01:06:06.460 --> 01:06:35.930

Earl Pfeiffer
Optional period. Here I'm gonna go through it pretty quick. This is something that they made available to download when we develop a subdivision, we go out and have bid documents. We have a bid package which includes blueprints and then a bound set of specifications. Bid documents has a contracts, sample contracts, everything in it. You're gonna need is basically in this package, and I'm going to run through it pretty quick. A lot of it is boring stuff. But I just wanna.

01:06:36.630 --> 01:06:43.270

Earl Pfeiffer
Give you an overview as to what you're seeing here, and then as you can look through it as your own.

01:06:44.760 --> 01:07:00.550

Earl Pfeiffer
This is just as a sample. It's something that I have used in developed myself over a period of years in trying to run projects more efficiently. Stolen this concept from engineers that I work with. It would have plans and specs on the job.

01:07:02.880 --> 01:07:19.850

Earl Pfeiffer
When we reward a bid, I give the develop the development contractor about four sets of prints and four sets of specifications. I always want a set of approved documents, drawings and specifications on the job at all times in case there's ever any disputes that we are running into.

01:07:21.240 --> 01:07:22.170

Earl Pfeiffer
And.

Unedited Transcript

01:07:23.470 --> 01:07:27.140

Earl Pfeiffer

I so basically this very first document here.

01:07:31.270 --> 01:07:36.540

Earl Pfeiffer

Is a. This is the advertisement for BID. Basically it's the first page.

01:07:38.260 --> 01:07:39.200

Earl Pfeiffer

I can see this is.

01:07:40.430 --> 01:07:43.370

Earl Pfeiffer

A little challenging to navigate through here.

01:07:52.950 --> 01:07:54.280

Earl Pfeiffer

You have any advice, Dan?

01:08:00.140 --> 01:08:01.340

Earl Pfeiffer

While you're doing it just fine.

01:08:03.510 --> 01:08:03.940

Earl Pfeiffer

OK.

01:08:06.720 --> 01:08:09.760

Earl Pfeiffer

The lab I wanna back up a second.

01:08:20.320 --> 01:08:23.980

Earl Pfeiffer

OK, here is the advertisement forbid.

01:08:25.120 --> 01:08:25.950

Earl Pfeiffer

Basically.

01:08:29.290 --> 01:08:44.780

Earl Pfeiffer

This is the like the legal notice it. It says we're putting this project out to bid the name of the project is this we will be receiving bids until 2:00 PM on March 30th, 2017. The objective is to develop 145 unit subdivision.

01:08:47.090 --> 01:08:49.910

Earl Pfeiffer

I said of documents may be obtained by the engineer.

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

01:08:50.590 --> 01:08:51.520

Earl Pfeiffer
Umm.

01:08:52.780 --> 01:08:55.120

Earl Pfeiffer
Project consists of so many homes.

01:08:55.850 --> 01:09:18.860

Earl Pfeiffer
The owner anticipates starting awarding a contract on April 6th and wants to commence within 30 days thereafter and basically it just gives all the legal jargon to the bid. This is a bid that we're going to put out and typically we try to mirror public bidding process except in how we award the bids, which is a little different than they do on the.

01:09:20.080 --> 01:09:20.510

Earl Pfeiffer
Uh.

01:09:21.360 --> 01:09:40.390

Earl Pfeiffer
Government level, but basically then I have the advertisement to bid. Then I write a letter to the bidders and I include everything in these documents that I think is a really important to me and that I need to emphasize. So here this personal letter I've written to everybody that's gonna bid on the project again. Talk about the project.

01:09:40.860 --> 01:10:11.350

Earl Pfeiffer
Umm, I talked the here. I mentioned things that are really important. One is this program requires compliance to HUD Section 3 guidelines which is something that's always been difficult to get contractors to comply with. We have the expectation that the perimeters of our development will be sodded beyond the silt fence. I've always argued with the contractors about where to stop sitting starts and stops. It talks about Federal Department of Environmental Protection, MPDS permits.

01:10:11.450 --> 01:10:44.740

Earl Pfeiffer
And those requirements, it's just a very basic cover point that and then I tell the contractors, there's no bonding on this particular project. So it's just my letter to the contractors just giving my overview of the project and I tell contractors we will select from the lowest responsible bidder and work can negotiate a mutually beneficial contract with one contractor. We anticipate moving dirt in late April 2017. And gentlemen, sharpen your pencils and then I sign off so then we get into the instructions to bidders. This is the actual bid document.

01:10:45.110 --> 01:10:54.660

Earl Pfeiffer
And so this tells them all of the things that they need to know about while they're bidding. I'm not gonna go through the details of it, but basically.

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

01:10:56.220 --> 01:11:02.030

Earl Pfeiffer

What is in here? All of the items that are necessary for bidding how you submit your bids?

01:11:03.810 --> 01:11:09.840

Earl Pfeiffer

Expectance in the ward. What? What we look at from that point to determine the bidder.

01:11:11.400 --> 01:11:13.150

Earl Pfeiffer

And those discussed contractor.

01:11:20.080 --> 01:11:21.490

Earl Pfeiffer

Here is our.

01:11:22.400 --> 01:11:52.910

Earl Pfeiffer

Here is the basis of which we award bids. We allow it to the lowest responsible negotiated bid to contractor that is consistent with the intent of the contract documents. It's the intent of the owner to receive and review bids on the due date after review date. Each bid the owner will work with each interesting contractor to negotiate a contract that is in the best interest of the owner and determining the lowest responsible bidder, the.

01:11:50.930 --> 01:11:51.330

Hooks, Kim - RD, State Office

Both.

01:11:53.760 --> 01:11:59.680

Earl Pfeiffer

Uh and your start when you're available to start how long it'll take you to complete the project and.

01:12:00.900 --> 01:12:30.370

Earl Pfeiffer

And if for example, let's say a bidder says, you know Earl, you spec the certain type of Rd base material, but we have a state approved Rd base that's not in your specifications and we have an ample supply of that. If you would allow us to substitute this, we could save \$75,000 on the development, something like that. Those are the kind of conversations that we enter into one word caution as a as a director or the boss of this project for your agency.

01:12:30.570 --> 01:13:03.500

Earl Pfeiffer

If you're using government funds, you gotta be squeaky clean in this process just because you're negotiating it doesn't. It doesn't do anything to line your project your pockets because you're working for the nonprofit or whoever the agency that you work for. So you you, you've got to make sure that you conduct these negotiations in a transparent way that doesn't include siding, my backyard and my personal residence or paving my driveway or we don't want to go down that road. But this is really all

Unedited Transcript

about what's best for the development. And now, if you're a private developer using private funds and building private.

01:13:03.650 --> 01:13:08.980

Earl Pfeiffer

Development. You can make all the deals you want, but when you're negotiating in the in the public eye and the public.

01:13:09.710 --> 01:13:13.980

Earl Pfeiffer

Our process with public dollars, basically you have to be pretty squeaky clean.

01:13:15.030 --> 01:13:30.040

Earl Pfeiffer

So you work with your engineer and you negotiate and find who is able to to maybe find some engineering that would save some money and we can get it approved and bring our project in better for it. So that's the basic.

01:13:30.730 --> 01:13:38.530

Earl Pfeiffer

Normally when you go to a public bid, they open the bids and the lowest bidder apparent lowest bidder gets the contract. Typically that.

01:13:40.060 --> 01:14:04.610

Earl Pfeiffer

Sometimes works, but I like to try to have a little more hand and seeing if we can if we can find craft a bid that's a little more accustomed to our organization and and and more favorable for our buyers in the long run. So basically a lot of this is is a lot of boilerplate stuff this here and here is the land development contract. This would be the contract that.

01:14:05.770 --> 01:14:08.410

Earl Pfeiffer

That we signed with them to do the work.

01:14:10.730 --> 01:14:15.940

Earl Pfeiffer

I'm trying to just a sample of what that contract is like all of the forms that are attached to it.

01:14:26.320 --> 01:14:46.150

Earl Pfeiffer

These are sample lien waivers that we request to be used by subcontractors, partial and full lean waivers, all all of that site, and the document request and again your state will be different if you're in Utah, your documents may be different than what they are in Florida. They they will be probably for lean waivers under the different laws.

01:14:47.690 --> 01:14:51.070

Earl Pfeiffer

Contractors affidavit is in here.

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

01:14:53.420 --> 01:14:57.240

Earl Pfeiffer

You know, they're making some certain certifications in the bidding process.

01:14:59.410 --> 01:15:06.140

Earl Pfeiffer

This is their actual bid, their proposal, where they are bidding to you the bid document that they turn in.

01:15:20.650 --> 01:15:21.450

Earl Pfeiffer

Uh.

01:15:22.160 --> 01:15:22.870

Earl Pfeiffer

How long?

01:15:24.470 --> 01:15:26.250

Earl Pfeiffer

Trying to back up a second here.

01:15:30.220 --> 01:15:32.170

Earl Pfeiffer

Ah ha, my goodness.

01:15:47.540 --> 01:16:03.690

Earl Pfeiffer

This is a sample of what our notice to proceed looks like a real simple letter that we would be sending out that we notify you to proceed. Typically that notice to proceed is the trigger that starts the calendar turning in bidding some sample change order form here.

01:16:16.230 --> 01:16:18.920

Earl Pfeiffer

I'm sorry I'm having a little bit of a difficult time.

01:16:21.360 --> 01:16:22.760

Earl Pfeiffer

This is a chart that.

01:16:22.840 --> 01:16:53.650

Earl Pfeiffer

Yeah, you're gonna. You're gonna sign up with somebody. Time is really critical on a development. If you're on a time schedule, you want your developed lots. You want to start selling on a certain date. So in Florida, where I'm where I was building, it's not uncommon to get some monsoon rains during the summer. And we would have to document the times that there were delays and wherever this form is here, it highlights some of the delays, the time delays and you can justify them.

01:16:56.030 --> 01:16:58.500

Earl Pfeiffer

So here they are right here basically.

Housing Assistance Council

Subdivision Development for
Affordable Single-Family Housing:
From Project Inception Through Land Acquisition
Recorded May 11, 2022

Unedited Transcript

01:17:00.680 --> 01:17:04.300

Earl Pfeiffer

Well, it's in here. You just you do documenting your delays.

01:17:19.430 --> 01:17:21.970

Daniel Stern

Or like in try to maneuver that a little slower if you want.

01:17:21.460 --> 01:17:54.370

Earl Pfeiffer

Well, I think I'm actually. I'm probably down to about the end. There really isn't a lot more. There's a lot of good information in here. If you download these packages that are provided and I don't know if they're in a Word document, but you can use these as templates to start to create your own documents and just see what's necessary to be in a project. But when we would do a project, we would take this entire document, we would print it out front to back, spiral bound, put a nice, pretty cover on it and it would be the Bible.

01:17:54.710 --> 01:17:57.820

Earl Pfeiffer

All the rules for that contract are right within that.

01:17:58.590 --> 01:18:01.700

Earl Pfeiffer

Are within the project are all within that?

01:18:03.270 --> 01:18:06.240

Earl Pfeiffer

Contract. And then there are.

01:18:07.820 --> 01:18:35.790

Earl Pfeiffer

Certain provisions, for example, if there is a conflict between the spec book and the blueprints, what governs if there are, you know, how do you deal with those types of issues if the if the specifications say you should use 4 inch steel pipe and the print shows 4 inch plastic pipe, you know which who prevails, what prevails. All of that is in these documents to show you basically how to run your.

01:18:36.610 --> 01:19:01.760

Earl Pfeiffer

How to how to document your project so for the novice developer the experience developer, everything that you're gonna need in some form or another in bidding out a project and managing that project through to completion would be in these specifications and my strongly suggest you take the time and look through them and acquaint yourself with them. And I'm I'm not gonna go any further than that on this particular subject.

01:19:03.120 --> 01:19:14.250

Earl Pfeiffer

But but that's the intent and I just kind of wanted to walk you through and see what's in here. It should be a pretty much A-Z compilation of all the different documents needed to develop a subdivision.

Housing Assistance Council

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Recorded May 11, 2022

Unedited Transcript

01:19:15.220 --> 01:19:41.580

Vickey Stratton

So I wanted to share with you as well that if you're unable to download, upload the documents that they will be updated and posted with the PowerPoint and the recording later today or tomorrow. So just you can watch out for those as well. Earl, we did have a couple of questions from Michael. He said he's asking do you include amenities like sidewalks and St lights in your beds?

01:19:42.680 --> 01:19:48.290

Earl Pfeiffer

OK, I I don't know what? I don't think it's sidewalk is an amenity. I think it's a necessity.

01:19:50.350 --> 01:20:00.780

Earl Pfeiffer

Yeah, a playground is an amenity to me. A park is an amenity of, you know, sidewalks are kind of nice if it's required under the code. It's a necessity St.

01:20:02.540 --> 01:20:05.220

Earl Pfeiffer

For bringing that up because I didn't include it in here.

01:20:07.300 --> 01:20:11.400

Earl Pfeiffer

Street lights are really interesting and you need to get with your power company to.

01:20:12.470 --> 01:20:18.640

Earl Pfeiffer

To to talk about how they do it. But when I've done developments, the last subdivision I did is.

01:20:20.900 --> 01:20:30.090

Earl Pfeiffer

We work with the power company during the infrastructure period, while the while the site is being developed to run underground lines in for street lights.

01:20:31.420 --> 01:20:38.340

Earl Pfeiffer

We have agreed in advance with the utility company and this is usually negotiated during the construction process.

01:20:39.700 --> 01:21:09.810

Earl Pfeiffer

That they will come in and they will have a subcontractor who run underground lines and put St lights in. Now The thing is, St lights aren't free. They're there's a money attached to them. So what we have done in Florida home partnership and our development says we developed a street well, the first subdivisions we developed didn't have St lights. They were dark, just black as the ace of spade, you could not see after sunset it was pitch black unless people had their four porch lights on.

Unedited Transcript

01:21:10.190 --> 01:21:12.940

Earl Pfeiffer

So we discovered the necessity for street lights.

01:21:13.680 --> 01:21:18.240

Earl Pfeiffer

So then we had St lights put in and then we found out that we had to pay for street lights.

01:21:19.910 --> 01:21:30.350

Earl Pfeiffer

When a developer, a public development, we're using public infrastructure. One thing that you do is develop a street lighting district. OK, so.

01:21:31.460 --> 01:21:45.190

Earl Pfeiffer

Let's say you're developing a 40 unit subdivision. You would have to get them approval of majority of the lot owners in that development, 21 lot owners to agree to make a street lighting.

01:21:47.030 --> 01:22:16.200

Earl Pfeiffer

District. So then you get your street lights installed and as a developer every month you're gonna get a bill for the street lights. And that would be something I would put into my as a separate line item in the in the sources and uses chart is St lights and and then at some point the municipality, county, city, whoever has jurisdiction will hold a meeting and they will vote on performing that street light district at that time then.

01:22:16.890 --> 01:22:24.440

Earl Pfeiffer

My tax bill is generated for all forwarding lots in your subdivision for a prorated chair on an annual basis for the street lighting district.

01:22:25.160 --> 01:22:35.550

Earl Pfeiffer

Now as a developer, if you own 40 lots and you've sold twenty of them and you have 20 lots left, you're gonna get the bill for those 20 lots.

01:22:36.670 --> 01:23:02.430

Earl Pfeiffer

Until you get a new buyer for each of those, so you have to be prepared for that. But there I I would not consider St lights in anything, you know, 1520 unit subdivision. Anything bigger than that where you have internal St St lights are pretty critical and you know it's it's just another thing you have to be prepared to work on and I would get with your utility company to understand that process.

01:23:03.640 --> 01:23:19.700

Vickey Stratton

OK. Our last question, I think Earl would be is you have to secure financing before you bid the job to the contractor. How do you know how much financing you will need and what happens if Europe substantially over or under?

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01:23:21.640 --> 01:23:21.970

Earl Pfeiffer
Big.

01:23:26.240 --> 01:23:43.240

Earl Pfeiffer
Great. That's wonderful. And you can get the money. God bless you. You're doing something I can't do. I don't ever see that happen too much. But that goes back to the sources and uses chart. And it's it's really difficult process because you don't know. You're not going to know what your bid is until you get your bid. But.

01:23:43.440 --> 01:24:07.450

Earl Pfeiffer
Umm, again this is where it helps to work with a really, really experienced engineer. And if you're site engineer is doing similar developments in your community, they're gonna have some pretty good idea. I would have my expectation that my developer would give me my engineer would give me some sort of a cost estimate but in in.

01:24:08.340 --> 01:24:32.950

Earl Pfeiffer
In the same vein, I've had in my last development I did. I had an engineer that I worked with really, really good engineer, knew a lot of site development contractors and one of them, he said, hey, you know, buy you pass is gonna be developing. And would you mind taking a set of prints and giving us an estimate on it.

01:24:34.290 --> 01:24:40.310

Earl Pfeiffer
And and so, you know, somebody's looking at the Prince ahead of time, and they're before the thing ever goes out to bid.

01:24:41.550 --> 01:25:09.640

Earl Pfeiffer
They may, you know, give you a rough idea of what it's gonna cost. So you don't know that when you're. When I'm doing that sources and uses. If I think something's gonna cost me \$20, I'm gonna write down to cost me \$22.00 just because I wanna. I wanna build in a margin and I don't know if I mentioned it, but in that sources and uses I did not put a contingency item line in there and that's a mistake. You need to have a contingency of some amount maybe you know.

01:25:10.520 --> 01:25:20.850

Earl Pfeiffer
2345 percent somewhere in there, if you can make it work, because there's always things that come up. But that's a difficulty you don't really know what your whole project's gonna be.

01:25:22.150 --> 01:25:30.960

Earl Pfeiffer
But you start to work with your lenders and pair your lenders for what the what, the potential, what the potential is gonna be and.

Unedited Transcript

01:25:32.200 --> 01:25:34.640

Earl Pfeiffer

And then hopefully you get it right. If you fall under.

01:25:36.060 --> 01:25:41.150

Earl Pfeiffer

You know, then you're gonna have to delay things a little bit and and and find some more funding.

01:25:42.590 --> 01:25:51.940

Vickey Stratton

OK, Earl, Phillip has asked. Have you started to add any renewables such as solar to your development or energy efficiency upgrades?

01:25:53.640 --> 01:26:01.930

Earl Pfeiffer

When you're dealing with the site development, you know there's not a lot that you can put in, but I would say in energy efficiency.

01:26:05.130 --> 01:26:35.020

Earl Pfeiffer

And I know, Bill Lazar, I don't know if he's still on his call, but he is a Florida certified Green Builder. What you know in the development, one thing that you can do is face your homes in a certain direction depending on the development. If all the fronts of the homes have a southern exposure or a northern exposure, you know with a southern exposure, they're gonna get more heat gain in the winter and things like that. Of course, they're going to be really hot in the summer time. But that's one thing you have to do.

01:26:36.040 --> 01:27:09.090

Earl Pfeiffer

You can look for landscaping. It doesn't take a lot of irrigation and so forth. Maybe use more gravel irrigation than or landscape than do zero scaping, so you have some control from that point. But As for the construction of the dwellings themselves, you're going to have to run power lines in, and you're gonna assume, unless you're building an off the grid community, you're going to build, you know, probably a 200 and 5200 amp service to each home to make sure they get proper electricity.

01:27:09.470 --> 01:27:15.420

Earl Pfeiffer

And then what happens with the contractors is homes are built from there. That remains to be a differing.

01:27:15.850 --> 01:27:20.990

Earl Pfeiffer

Uh, question on what you can do for energy efficiency, but the site development.

01:27:22.170 --> 01:27:30.100

Earl Pfeiffer

Just by the direction in which you aim your homes and develop your subdivision can have an impact on energy consumption.

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01:27:32.710 --> 01:27:33.660

Vickey Stratton

OK, so we.

01:27:35.260 --> 01:27:36.190

Vickey Stratton

That.

01:27:36.910 --> 01:27:37.380

Vickey Stratton

Umm.

01:27:38.130 --> 01:28:07.870

Vickey Stratton

I would like to thank everyone for joining us today and watch for the survey that should be coming your direction as well as this information will also be on hacks website. Give us about this afternoon or tomorrow to get that information there. I'd also like to thank Earl because he has such a vast knowledge of this topic and he does a super job. So thank you everyone for joining us today and we hope to see you in two weeks on May 25th.

01:28:09.000 --> 01:28:09.760

Earl Pfeiffer

Thank you all.