Is Your Board on Board?

Mission

- Does your organization’s mission really include small scale rental development?
- What about property management?

Risk/Reward

- What types of risks are present in multifamily development?
- What are the potential rewards?
- Does your board understand and support this work?
- Do you need to add new board members?
Strategic Planning

- What’s the purpose of a strategic plan?
- Useful tool to assess and re-evaluate
- How often do you look at your plan?
- What should your rental strategy look like?

Financial Capacity

CAPACITY EVALUATION EXERCISE
PREDEVELOPMENT PLANNING FOR EFFECTIVE MANAGEMENT

The Big Picture
- Who is leading the team?
- Who is the target demographic?
- Which neighborhood (s)?
- What part of the neighborhood?
- What other initiatives are in process? Political will?
- Assess the market
- How many units?
- What financing is available?
- What are the financial parameters?
- Who will manage the properties?
- What additional services will you offer?

Drilling down
- Selecting specific properties
- Assessing the rough scope of work
- Estimating rehab expenses
- Meeting with building/zoning/code
- Estimating operating expenses
- Analyzing the proforma
- Making the offer
- Due diligence (appraisal, environmental, inspections)
• Floating the deal to your lender/funder
• Drill down on expenses
  (water/sewer/insurance/lawn/pest)
• Assemble development team
• Close on financing
• Understand your written agreements
• Bid the rehab
• Review your proforma again (and again
  and again)

FHFC Pre-development Loan Program
• Non profit and community based orgs
• Open application cycle
• 1% , P & I deferred until maturity
  – 3 years or upon closing on construction financing
• 20% units set aside for 50% AMI or below
• Rezoning, A &E, legal fees, insurance, site
  acquisition…. 
• $750k w/acq , $500k w/out acq
• Technical assistance