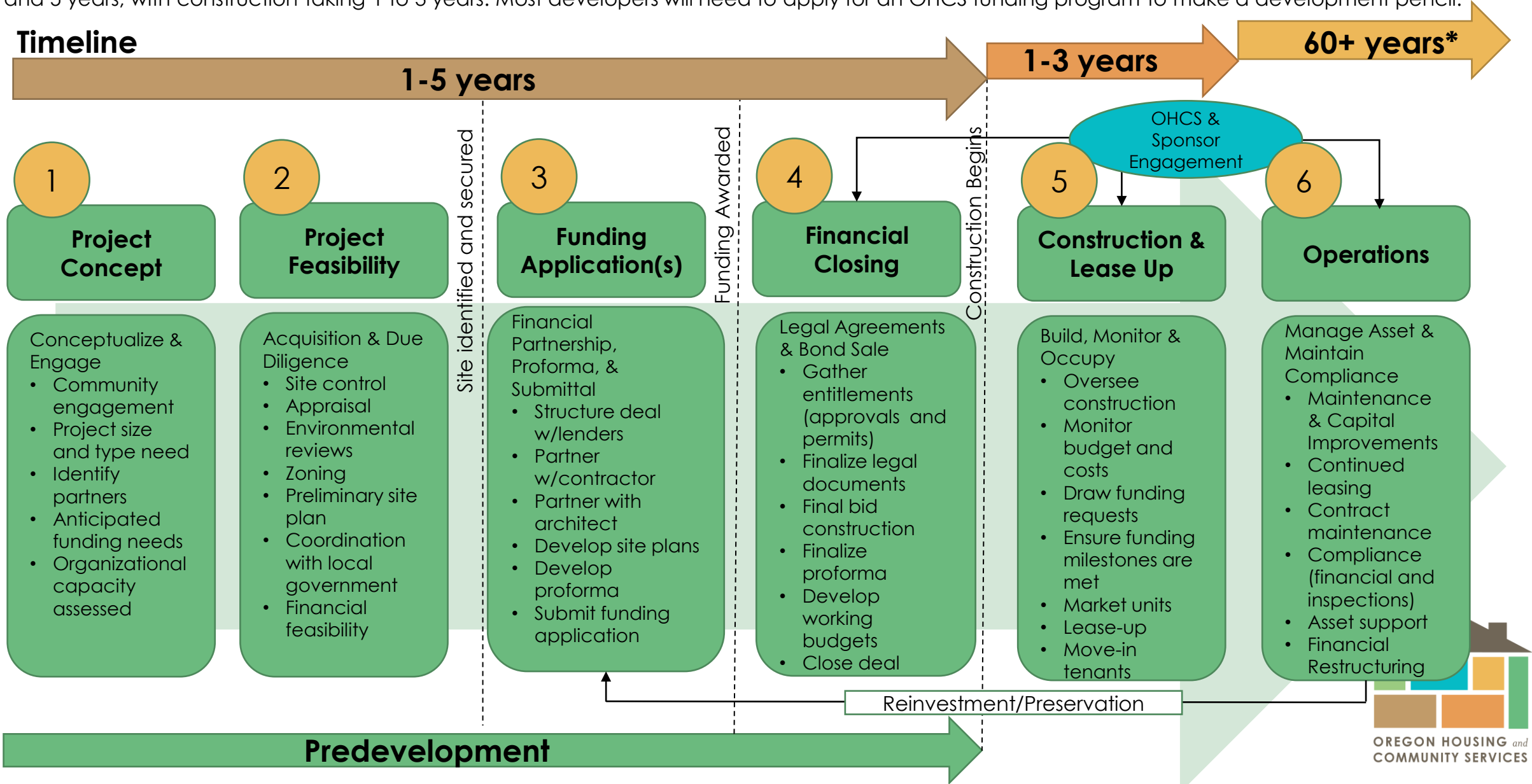


# The Affordable Housing Development Process

An affordable housing development typically follows a six-phase process that begins after an organization has gained internal support to move forward with the project. The predevelopment phase is the first phase and refers to the period prior to the start of construction. Predevelopment can take between 1 and 5 years, with construction taking 1 to 3 years. Most developers will need to apply for an OHCS funding program to make a development pencil.

## Timeline



1. **Project Concept**
  - a) **Developer & Community** – engage in discussion about housing community needs and populations intended to house.
  - b) **Developer & Community** – informed by engagement, project concepts (design, unit number, location) are conceptualized.
  - c) **Developer & Community** – engage in conversation regarding project partnerships.
  - d) **Developer** – investigate anticipated funding needs and opportunities
  - e) **Developer** – develops a conceptual timeline for project development and construction
  - f) **Developer** – determines organizational capacity need for project work and delivery
2. **Project Feasibility**
  - a) **Developer** – identifies the appropriate site and conducts due diligence such as appraisal, environmental reports and geotechnical.
  - b) **Developer – works with the municipality** to determine existing or zoning changes, permit estimating, off-site infrastructure, system development charge (SDC) estimates, and connects to available funding resources, if they exist.
  - c) **Developer – with the architect**, develops preliminary site plans aligned with project needs established in **community** engagement.
  - d) **Developer & Financial Investors** – begin to plan financial structure and feasibility.
3. **Funding Application**
  - a) **Developer & Financial Investors** – formally structure the deal, financing, and contingencies.
  - b) **Developer & General Contractor** – establish preliminary construction cost.
  - c) **Developer & Architect** – formalize site plans and develop required application core development documents for **OHCS**.
  - d) **Developer** – fills out and submits the **OHCS** application.
  - e) **OHCS** – Scores application and awards funding.
4. **Financial Closing**
  - d) **Developer** – Gathers entitlements to submit to **OHCS** and **financial investors**.
  - e) **Developer & OHCS** – finalize legal document with **financial investor partner counsel** and **DOJ**.
  - f) **Developer & General Contractor** – *finalize construction contract, bids, and finalize construction budget.*
  - g) **Developer, Financial Investors & OHCS** – finalize budgets and proforma.
  - h) **Developer, Financial Investors & OHCS** – Close the deal.
5. **Construction and Lease Up**
  - a) **General Contractor** – Hires subcontractors and begins construction according to project plan
  - b) **Developer & Financial Investors** – Monitor construction progress and ensure requirements and timelines being met
  - c) **Developer, Financial Investors, General Contractor & OHCS** – Monitor and report progress on budget and costs, draw funding as necessary to reimburse for expenditures as they occur based on financial agreements established prior.
  - d) **Developer, Financial Investors & OHCS** – Ensure funding milestones based on financial agreements established prior are met.
  - e) **Property Management, Developer & Service Providers** – Market units, initially focusing on communities least likely to apply through strategies identified in Affirmative Fair Housing Marketing Plan (AFHMP).
  - f) **Developer, General Contractor & Municipality** – Obtain Certificate of Occupancy for building and send to **OHCS**.
  - g) **Property Management, Developer & Community** – Conduct lease-up process with tenants, including tenant income verification and finalizing tenant leases.
  - h) **Developer, Property Management, Service Providers & Community** – Finalize Management Agent Packet and Resident Services Plan, and send to **OHCS**.
  - i) **Property Management, General Contractor & Community** – Phased move-ins of tenants into the building
  - j) **Developer & Property Management** – Reporting of tenant population to **OHCS** on completion of lease-up and confirm tax credit and other funding compliance (if applicable)
6. **Operations**
  - a) **OHCS and developer** close financing
  - b) **Property owner (usually developer) and property management:**
    - a) Conduct day to day maintenance and capital improvement projects
    - b) Oversee continued leasing and operational finances
    - c) Address resident needs
    - d) Organize and maintain contracts with on-site service providers
    - e) Submit compliance reports to OHCS and other funders
  - c) **OHCS** monitors property compliance for a set program period, ranging from 10-60\*
  - d) **Property owner** creates and implements property preservation strategy with plan for future reinvestment

\*Affordability Periods are typically 60 years as of 2022



NOTE: developer is not always an owner, could be a development consultant for an owner