

Stabilizing Communities

Renovation Models

Factors And Challenges



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Models

- We operate or participate in three models:
 - Healthy Villages ARR
 - HOME Rochester
 - Homeownership with Rehab



Healthy Villages ARR

- Return rental housing or vacancies to single family, owner occupied units
- Remove blighting, “slumlord” held rentals
- Homeownership to stabilize neighborhoods
- RHOC takes title, rehabs and sells property
- Moderate – substantial rehab
- Funding: NYS OCR grant funds
NYS Member Item Program



Home Rochester

- City of Rochester/HUD ACA Program
- Administered by Greater Rochester Housing Partnership
- GRHP takes title to property & assigns to developer
- Developer completes inspection, work scope, bid, rehab and sells property
- Removes blighting influence of vacant properties
- Selected census tracts throughout the City of Rochester
- Substantial Rehab
- Funding: NYS AHC, NYS DHCR, FHLB, Local Banks



Homeownership with Rehab

- Owner occupant takes title
- Subsidies for down payment, closing costs and repairs to the home
- Rehab occurs in the 45 days after closing and before occupancy – moderate to substantial rehab
- Funding: NYS Affordable Housing Corp.



Home Buyers

- Homes are sold to first time home buyers
- Home buyers:
 - may not earn more than 80% of AMI
 - must typically contribute \$1,500 towards the purchase of their home
 - must attend home buyer education classes
 - must meet qualifying ratios (typically 28:41)



Home Buyer Education

The training program:

- readiness to buy a home
- budgeting and money management
- basic banking
- understanding credit
- the home buying process
 - working with a realtor
 - house shopping
 - the home inspection
- the mortgage
 - processing
 - underwriting
 - closing
- Post purchase counseling & foreclosure protection



Critical Factors

- Market
- Team Selection
- Capital
- Acquisition
- Timelines



Critical Factors

- Design and Specifications
- Project Management
- Operations and Management
- Performance Guarantees
- Marketing



Pro forma

- Work scope and cost estimate
- CMA – comparable market analysis
- Homebuyer affordability analysis
- Project timeline
- Marketing plan



Reconciliation

- A final accounting is done after the home is sold.
 - Construction expenses are totaled
 - Taxes, insurance and other holding costs are totaled
 - Sales cost are added
 - Balance the books making sure all expenses have been paid
 - Evaluate the project – estimates v. actual costs
- Close the project after the warranty period has ended



Challenges

- Environmental
 - Lead Based Paint
 - Asbestos
 - Underground tanks
 - Mold
- Existing Conditions
- Livability
- Historic Preservation
- Energy Conservation
- Sustainability
- Security



Project Impact

- Remove blighting influences
- Provide affordable homes
- Stabilize neighborhoods
- Create healthy neighborhood
- Create a neighborhood of choice
- Use local contractors – boost local economy and promote civic engagement

