

Real Estate Development Process

Create Model of Project

- ✓ Site Selection
- ✓ Purchase Option
- ✓ Identify potential sources of funds
- ✓ Identify Fair Market Rents
- ✓ Verify Zoning, Utilities
- ✓ Initial public support
- ✓ Preliminary Proforma
 - ◆ Unit mix
 - ◆ Rent mix
 - ◆ Operating expenses
 - ◆ Debt Service
 - ◆ Financing Mix
 - ◆ Cost per sq. ft.

Predevelopment

- ✓ Market Study
- ✓ Environmental Report
- ✓ Title Review
- ✓ Site Control
- ✓ Preliminary architectural review
- ✓ Local support documentation
- ✓ Tax Abatement
- ✓ Formation of Partnership
- ✓ Preliminary finance commitments
- ✓ Secondary financing commitments
- ✓ 10% Carryover
- ✓ Development Agreement
- ✓ Preliminary development costs
- ✓ Construction Estimates
- ✓ Revise Proforma
- ✓ Prepare applications for funding

Development

- ✓ Update reports if needed
- ✓ Site Plan app'l
- ✓ Final architectural docs
- ✓ Final construction, development cost estimates
- ✓ Appraisal
- ✓ Owner/Architect agreement
- ✓ Management Agreement
- ✓ Set construction time line
 - Prepare Monthly reports
 - Monitor budget for cost overruns
- ✓ Construction and Perm loan commitments
 - ◆ Est. construction draw schedule
 - ◆ Determine inspection procedures
- ✓ Equity commitment
- ✓ Other funding commitments
- ✓ Set closing dates
- ✓ Close all financing
- ✓ Commence & complete construction

Close Out

- ✓ Obtain Certificate of Occupancy
- ✓ Consolidate devel & ops financials
- ✓ Complete cost certification
- ✓ Apply for 8609s from OHFA
- ✓ Draw outstanding funds, incl. OHFA bridge loan
- ✓ Fund reserve accounts with equity
- ✓ Engage auditor
- ✓ Close on perm financing
- ✓ Receive developer's fee

Lease-Up

- ✓ Monitor for qualified occupancy (QO) date as projected in proforma
- ✓ At QO, complete owner's certif. & submit to syndicator
- ✓ Copy all original tenant files and store
- ✓ Request 2nd installment of developer fee

Operations

- ✓ Manage property in accordance with owner's goals
- ✓ Monitor performance of property management team
- ✓ Review and monitor financial performance
- ✓ Maintain compliance
- ✓ File appropriate reports
- ✓ Review Property Management Plan annually

Disposition

- ✓ Nonprofit exercises right of first refusal to purchase property from LP
- ✓ Exit tax analysis
- ✓ Create plan to pay off any outstanding loan balances
- ✓ Nonprofit takes title, resells to tenant or holds as permanent affordable housing