

**REAL ESTATE DEVELOPMENT FLOW CHART**

*Modified by Housing Development Center*

Phase	Concept Phase				Feasibility			Predevelopment Phase					Construction		Lease Up
Development Workload by Phase	15%				10%			25%					45%		5%
Site Control	Concept	Site Control	Site Evaluation: Env, Mkt Anal, Zoning	Assemble Development Team				Acquire Site							
Design: Architect Role	Massing Studies, Zoning Research				Schematic Design			Design Development	Construction Documents		Construction Bids	Construction Administration			
Development Coordination: Consultant Role					Preliminary Proformas			Project Management: Project Schedule, Team Meetings, Milestones, Application Review, Negotiations, Budget Management, etc.							Oversee Credit Delivery, Requirements for Conversion
					Preliminary Cost Estimates	Determine Potential Funding Sources	Operating Cost Estimates	Select GC	Refine Proformas	Finalize Proformas	Owner's Rep for Design, Value Engineering, Contract Negotiations	Due Diligence & Closing			
Funding: Consultant Role					Obtain Predev Funding			Mtgs w/ Funders	Apply for Funding	Secure Prelim Funding Approvals	Lender Due Diligence and Underwriting	Lender Commitments	Construction Loan Draw Administration		Convert to Permanent Financing
								Appraisal					Loan Docs & Closing	Lender/City Inspections	Final Inspection
General Contractor Role								Assist with Design		Obtain Permits	Construction Bids	Construction			Construction Complete
Property Management Role								Operating Costs, Resident Services Plan, Leaseup		Finalize Management Contract		Develop Marketing Plan		Pre Marketing	

**RISKS IN DEVELOPMENT**

Risks by Phase	Concept Phase	Feasibility	Predevelopment Phase	Construction	Lease Up
	<ul style="list-style-type: none"> <li>* Pre-Dev Dollars invested without certainty of funding</li> <li>* Staff Time</li> <li>* Political Capital to Gather Support for Project</li> <li>* Site Control Costs</li> </ul>	<ul style="list-style-type: none"> <li>* Predev dollars without certainty of funding, sometimes recourse to CCC</li> <li>* Land acquisition &amp; holding costs</li> <li>* Prioritizing Development Opportunities</li> <li>* Environmental Risk potentially</li> </ul>	<ul style="list-style-type: none"> <li>* Significant Predev dollars without certainty of funding, sometimes recourse to CCC</li> <li>* Land acquisition &amp; holding costs increase while waiting for funding &amp; predev</li> <li>* Competitiveness of funding/ may have to wait or not get funded</li> <li>* Proceeding further before funding creates more momentum, shortens over development timeline, creates more \$\$ at risk</li> </ul>	<ul style="list-style-type: none"> <li>* Construction Completion Guarantees (recourse debt + guarantee to limited partner)</li> <li>* Credit Delivery Guarantees for LIHTC to limited partner</li> <li>* Developer Fee at Risk</li> <li>* Representations to lenders and limited partner</li> <li>* Interest rate risk (variable rate construction loan/ perm loan if rate not locked)</li> <li>* Schedule risk: (credit delivery, interest costs, perm rate lock date)</li> </ul>	<ul style="list-style-type: none"> <li>* Leaseup within schedule &amp; at proformaed rents</li> <li>* Market risk if rents closer to market</li> <li>* Meet first year LIHTC credit delivery</li> <li>* Cost overruns= developer fee at risk</li> <li>* Compliance risks</li> <li>* operating deficit guarantee</li> <li>* reserve requirement guarantees</li> </ul>