



Land Development

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People Self Help Housing

hello



So You Want to be a Developer!

Session Objectives:

- Identify the factors to consider before pursuing housing development.
- Describe the key roles on a development team.
- Provide guidance on procuring consultants.

What does a Land Developer do?

- Works with consultants to design a project, then pursues the necessary governmental approvals to build



Consider

- Where and What is the Need?
- Where's the Money?
- Where's the Land?
- Do You have the Capacity?

Where and What is the Need?

- Are housing costs too high for some in the community?
- Is there sufficient diversity in the type and price range in the community's housing stock?
- Are certain populations having trouble finding housing?

How to Assess Need



- Read local news and review data
- Order new or review recent market studies
- Conduct listening sessions

Where's the Money?

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Where's Land that is?

- properly zoned
- entitled (if not, political will)
- sewer & water availability
- appropriate size of parcel
- feasibly priced
- convenient & desired location for residents

How to Find a Site

- Realtors
- Word of Mouth
- City or County Planning & Building Departments
- Banks
- Other Developers or Homebuilder's Assn.
- Drive around
- Newspaper, Internet
- Software such as Google Earth, Land Vision and zoning maps

Site Analysis

- Location
- Cost
- Zoning, parking, density
- Infrastructure required
- Roads, bridges, railroad tracks, EVA
- Existing Use – relocation or contamination
- Nimby potential



Site Analysis (continued)

- Topography
- Soils
- Drainage
- Flood Plain
- Environmental Conditions
<https://fniles.hudexchange.info/resources/documents/Choosig-an-Environmentally-Safe-Site.pdf>
- Biological, Archaeological and Paleontological concerns

Use a Checklist to Compare Parcels

- Estimated # of units
- Land cost per unit
- Zoning
- Estimated time to get entitlements
- Availability and cost of sewer & water
- Extraordinary development costs
- Extraordinary fees

Checklist to Compare Listings & Sales

Addr	City	apn	date	List Price	Sales Date	Sales Price	acres	est units	TVM?	\$/ac	\$/#	#/ac	USDA elig?	Notes		
13th Street	Grover Beach	060-565-002	Feb-18	\$1,800,000	9/14/18	\$1,350,000	1.8	15	no	\$750,000	\$ 90,000	8.33	N	CCB purchased. To PC April 201		
Legacy Estates	Los Alamos	seven	Apr-19	\$3,600,000			16.6	59	yes	\$216,867	\$ 61,017	3.55	Y	once asked \$12M, then \$5M		
9324 Hwy 101	Los Alamos	101-130-019	Jan-20	\$3,195,000			29.3	46	no	\$109,044	\$ 69,457	1.57	Y	Offered \$2.2M for 18 ac., Selle		
1401 Creston	Paso Robles	009-571-010	Feb-18	\$7,200,000			10.0	199	no	\$720,000	\$ 36,181	19.90	Y			
1145 Niblick	Paso Robles	009-566-042	Sep-18	\$1,295,000	11/8/18	\$1,180,000	3.5	14	no	\$375,362	\$ 92,500	4.06	Y	resold \$1.33M 8/30/19 orig \$1,		
420 Creston Rd	Paso Robles	009-541-002	Feb-18	\$ 695,000	3/23/18	\$ 690,000	5.6	14	no	\$124,552	\$ 49,643	2.51	Y			
Chandler	Paso Robles		Feb-18	\$2,070,000			12.0	69	no	\$172,500	\$ 30,000	5.75	Y			
Our Town	Paso Robles	many	Feb-18	not listed			5.7	53	yes			9.38	Y			
1003 Sespe	Fillmore	052-0-083-160 & 170	Jun-18	\$1,300,000			1.7	10	no	\$747,126	\$130,000	5.75	Y	offered \$80k/lot		
Annie Lane	King City	221-021-001 thru 13	Aug-18	not listed				12	Final				Y	offered		
4072 Center	Piru	056-0-113-050	Oct-19	\$ 720,000			1.4		no	\$521,739			Y	CEDC		
176 N. Main St	Piru	056-0-190-050	Feb-19				5.2		no	\$ -			Y	prev \$1,433,500 10/31/16		
Union Rd & Pros	Paso Robles	025-402-024	Nov-19	\$1,200,000			3.1	9		\$383,387	\$133,333		Y	big lots, orig \$1.5M		
1025 & 1049 Cres	Paso Robles	009-641-010	May-19	not listed			6.2	124					y	R4, 5 parcels		
4711 Foothill	Carpinteria	004-005-001 & 002	Jun-19	\$6,500,000			14.9		no	\$436,535			y	in county, zoned ag, 2 parcels, i		

Do You Have the Capacity?



- Experienced staff and/or partners
- Board support
- Community Support
- Adequate Capital

Developer Responsibilities

- Project quality and timeline
- Legal responsibilities
- Conflict of Interest
- Developer fees and compensation
- Community relations

The Development Team

- Project Manager (on staff or consultant)
- Civil Engineer
- Architect Team (Architect, Structural Engineer, Title 24, Mechanical & Electrical Consultants)
- Landscape Architect
- Attorney (optional)
- Loan Officer

Other Consultants/Partners:

- Environmental
- Geotechnical Engineer
- Appraiser
- Title Company/Attorney
- Real Estate Broker
- Syndicator & Financial Consultants
- Relocation

Ways to build staff capacity

- Joint venture with a for-profit or another non-profit
- Enroll staff in classes, attend conferences
- Hire consultant
- Learn by doing on small, simple projects
- Visit other developers and developments

Making the Offer

- ✓ Offer Price
- ✓ Deposit
- ✓ Due Diligence period
- ✓ Escrow Closing Date
- ✓ Info requested from seller
- ✓ Allocation of closing costs
- ✓ Request seller cooperation to apply for permits, access to site and tenants, etc.
- ✓ Contingency for appraisal, financing, project approval, etc.
- ✓ Title Company (Attorney)

If Anticipating Using Federal Funds.....

- Only a non-binding option is allowed until NEPA clearance is achieved
- Give Guideform Notice to Seller per the Uniform Relocation Assistance and Real Property Acquisition Act (URA)
 - Find the most appropriate form for the project and make sure you are meeting the required deadlines

Due Diligence

- Review Preliminary Title Report
 - ✓ Get copies of all Exception Items
 - ✓ Get Easements mapped
 - ✓ Notify Title Co. of Unacceptable Items within designated time period

Due Diligence

- Walk the site
 - ✓ Look for utility services (underground and overhead) on the site that may have to be relocated
 - ✓ Observe flora and fauna – wetland, trees that may obstruct buildings, protected species
 - ✓ Look for potential contamination onsite and nearby
 - ✓ Slopes requiring retaining walls

Soils

- Request proposals for Geotechnical sampling and report – ensure that the report will be available well within your due diligence period.
- Consider the firm's distance from site and hourly charges, as you will need further testing throughout construction.

Environmental

- Request proposals for Phase I – ensure that the report will be available early in the Due Diligence period in case a Phase II report is recommended.
- If there are Biological, Archaeological or Paleontological concerns, seek reports.

Utilities



- Request Will Serve Letters
- Investigate distance and cost to connect
- If you discovered that any utilities may have to be relocated, discuss the potential cost with utility company.

Zoning and Entitlements

- Appropriate zoning and density allowed or zoning change required
- If Entitled (Tentative Map or Final recorded map), review Project Conditions of Approval
- If Conditional Use Permits required, review conditions



Ready...
Set...
GO!

Entitlement Process – single family

- Land appropriately zoned
- Prepare Tentative Map (Engineer and Architect)
- Approval from the Planning Commission and Board of Supervisors

Entitlement Process - continued

- Engineer
 - Grading and Public Improvement Plans
 - Cost Estimate
 - Final Map for Public Works staff approval
- Evidence of satisfaction of all Map Conditions of Approval
- Engineer - Bonding Cost Estimate

Entitlement Process - continued

- Bond for the project
- Final Map goes back for approval (in substantial conformance)
- Apply and obtain Board of Real Estate approval to sell lots or homes (CA)

Horizontal Construction

- Seek bids for grading and public improvements (on-site and/off-site)
- Obtain loans, if required
- Sign Contract, may require Contractor to bond
- Monitor site work progress and/or hire a project manager or inspector to oversee work

Horizontal Construction

- After Jurisdiction inspects:
 - Record Notice of Completion.
 - Bonds reduced to 10% for next one year warranty period.



Consider

- ✓ Where and What is the Need?
- ✓ Where's the Money?
- ✓ Where's the Land?
- ✓ Do You have the Capacity?
- ✓ Due Diligence
- ✓ Design site and approvals
- ✓ Financing
- ✓ Build



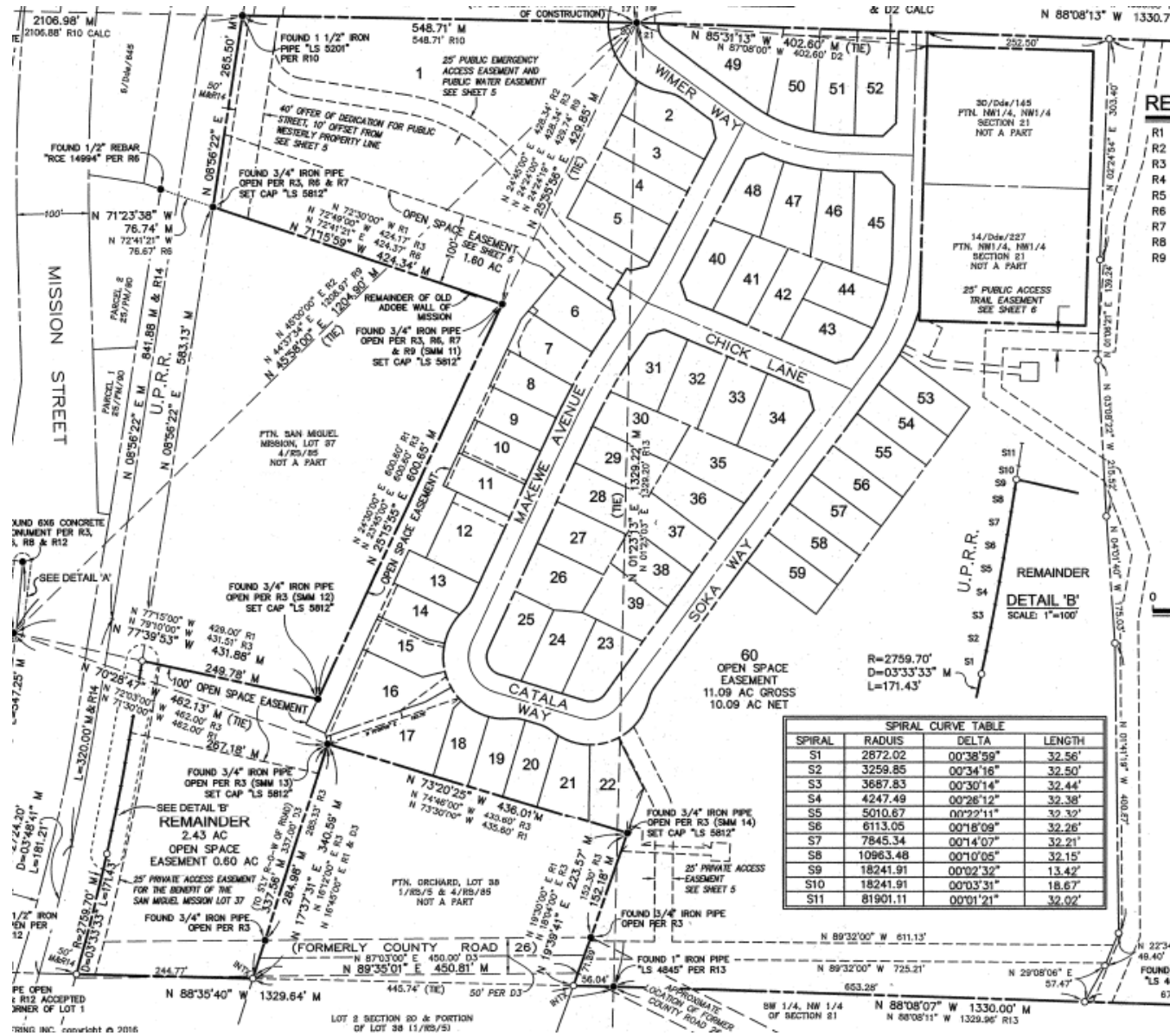
- 4 acres
- 24 lots

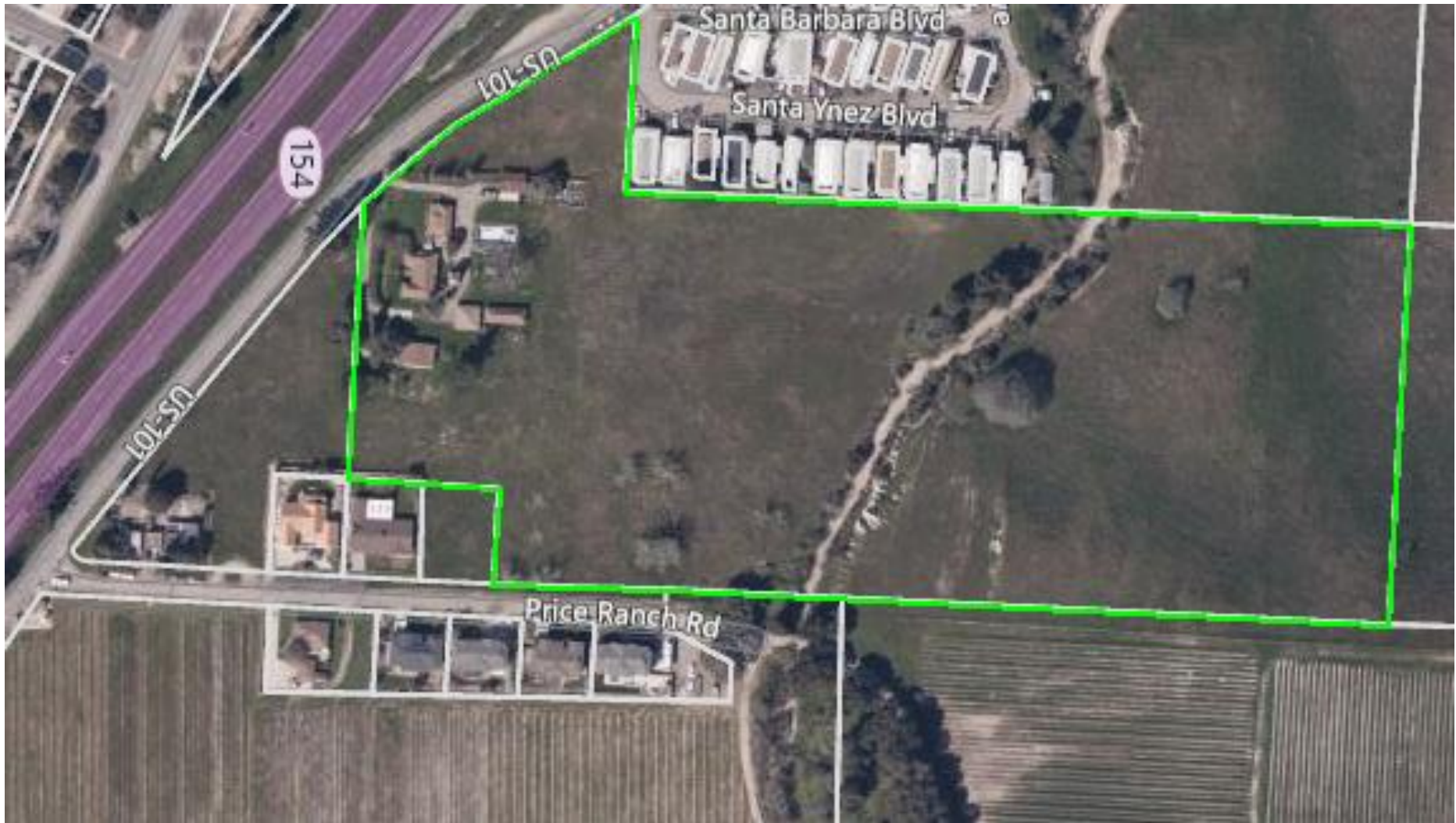


50 acres

Mission Gardens

- 50 acres
- 60 lots





18 acres

Questions

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