

A NEW MAP FOR FINANCING MULTI-FAMILY PROJECTS

IN TODAY'S CHALLENGING ENVIRONMENT of securing financing for multi-family developments, more and more of our clients are looking at the Department of Housing and Urban Development's 221 d-4 program to finance new construction, some for the first time.

If you are considering a d-4 deal, your first step should be to establish a relationship with a Multifamily Accelerated Processing underwriter. As representatives of the design team, we view the MAP underwriter as an essential partner to our clients in these deals.

Working with a MAP underwriter to create a strategy for your development and then communicating that strategy to the design team are critical.

Once a sketch plan has been prepared and a basic project program has been set, a preapplication conference with the local HUD office is recommended. We used to be non-participants in this meeting, satisfied to learn the results and just go down the development road doing our architect thing. But over time, we have realized that the conference is an extremely strategic opportunity to shape the delivery of the job, not just a courteous meet-and-greet with the development team.

From a design team perspective, MAP underwriters who educate our clients on a number of key topics during the preapplication conference are the most effective. For example, a MAP underwriter could ensure that the appraiser is present at the conference and has enough knowledge of the proposed development and the market area to review methodology with HUD's economist. This alone can avert weeks of back and forth efforts during the preapplication review.

At the end of the preapplication conference, a strategy should be set for creation of the preapplication. This is one of the key decisions about the pace of a project. HUD has minimal criteria for the preapplication submittal, which hopefully leads to an invitation letter.

Once the preapplication is complete and an invitation letter is received, it is on to the firm application. Again, processing, timeline and responsibilities for a complete application are best choreographed by the MAP specialist. The design team's role is pretty straightforward, assuming team members are ready to respond to review comments from the architectural analyst. This goes back to the importance of prioritizing and packaging information.

Coordinating the review comments can be complicated, and this can be compounded if the applicant has not yet cemented the deal with a general contractor. Working through



Paul Campbell, AIA



As with any project, our clients have typical goals and while the work of the design team is not that different on a d-4 project versus a conventionally financed one, the prioritizing of information and the timing of certain levels of documentation are not intuitive to the design team. This is where the MAP underwriter comes in. Based on project-specific details, a strategy to develop a very complete set of documents early on may be established. Conversely, we have worked on a number of jobs that were paced to provide increments of documentation at various stages of the process.

(continued on page 36)

these subtle variations ahead of time saves on confusion and possible delays of a closing ... and no one wants to be responsible for delays.

During construction, the construction administration process is a bit more formal compared to other projects. The most significant difference is that there is a HUD-designated inspector who reviews our processing of pay applications, maintains the job files on-site and conducts interviews for compliance with federal prevailing wages law.

This is just the tip of the HUD iceberg from the architect's point of view. My observation is that clients who go through HUD for the first time suffer some bumps and bruises, and they probably miss a few opportunities. But they seem to come back and do repeat projects with the program.

The key to a successful project is finding a MAP specialist early on in the process, hiring a knowledgeable architect, setting a strategy and letting the design team know how your job is being tackled. **■**

Paul Campbell, AIA, is principal and president of KEPHART community :: planning :: architecture. Paul's vision focuses on designing communities that are great neighborhoods. For more than 25 years, his leadership at KEPHART and his passion for quality design has inspired innovative ideas and teamwork between all project stakeholders. Through his open communication and creative thinking, Paul leads the KEPHART team and their builder partners toward continuing success.

Colorado Association of Home Builders Auto/Home Insurance Program

- Available for all HBA member companies and their employees
- HBA discounts applied for personal Auto and Home policies
- Underwritten by "Auto-Owners Insurance"

FOR A QUOTE OR MORE INFORMATION ON THIS MEMBER BENEFIT PLEASE CONTACT:

TERRY GRIFFIN
303.765.1568
terry.griffin@willis.com

Willis

Trex
How outdoor living should feel.

A BEAUTIFUL WAY TO STAND THE TEST OF TIME. All Trex® decking, railing, and fencing is a unique combination of reclaimed wood and plastic, giving you the best qualities of both materials. The plastic shields the wood from moisture and insect damage, so there's no rotting or splintering. The wood protects the plastic from UV damage and gives your deck a solid, natural feel. It looks great year after year. And because there is no need to spend hours staining or repairing, the enjoyment of a Trex deck and fence is truly timeless. Trex Seclusions Privacy Fencing is a premium product that offers beauty from every angle. Its natural wood feel and non-reflective surfaces come in a variety of rich colors and sizes up to eight feet tall. The perfect fence should do more than just define a border. It should promise privacy and be welcoming at the same time. It should raise property value while being low-maintenance. It should look as good on the inside as it does on the outside. It should stand up to the tests of time and the occasional errant baseball. But most of all, the perfect fence should be an extension of your home.


Boise Cascade
Boise Building
Materials Distribution
(303) 289-3271