

Memorandum



Date: July 9, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Supplemental Information on Affordable Housing Construction Costs

EDHS
Supplement to
Agenda Item No. 7(A)

In response to a request by Vice Chairwoman Barbara J. Jordan and Commissioner Dennis C. Moss, staff has analyzed the cost of building affordable homes to determine the appropriateness of the existing cap of \$225,000 for the sale of affordable housing units. The existing \$225,000 cap has not been evaluated or adjusted since it was established.

Construction costs will vary depending upon the size of the homes and the materials and finishes utilized; however, staff employed a typical home design for the purposes of responding to this request and gathered construction costs from various affordable housing builders.

Utilizing the actual cost of construction, plus a profit typical of the industry, it is apparent that the sales price of a single family home built through the infill program, where no land costs are involved, should prospectively be adjusted downward to \$175,000. Attachment "A" contains a detailed breakdown of the costs associated with building a 1,320 square foot single family home (the average size of an infill home). Market conditions for individual homes may also serve to lower the sales prices even further.

Attachment "B" contains a listing of the 27 infill homes that have closed since October 2007 with sales prices ranging from the maximum of \$225,000 to as low as \$165,000. It is also worth noting that responses to the first work order recently issued to the qualified developer pool through the Infill Housing Program proposed sales prices for the homes ranging from as low as \$128,000 (a Habitat for Humanity home) to as high as \$199,900. The homes that were selected by the Affordable Housing Selection Committee will sell for no more than \$165,000.

The cost of single family homes where land costs are involved should prospectively be capped at \$205,000. This mark-up reflects the average sales price of homes recently sold through the infill program where the land was purchased. This price will apply to all spot loans as well.

Staff will evaluate construction costs on an annual basis and recommend adjustments to the maximum home sales price as appropriate.

Attachments


Cynthia W. Curry
Senior Advisor to the County Manager

Exhibit "A"

Estimated Cost of Construction	
Item Description: 1,320 sq.ft.single family home	
Soft Costs:	Estimated Cost
Accounting	\$ 350.00
Appraisal	\$ 350.00
Builder's Risk Insurance	\$ 2,200.00
Building Permit and Fees	\$ 1,700.00
Construction Interest	\$ 6,000.00
Impact Fees	\$ 6,000.00
Legal Fees	\$ 1,500.00
Lender Inspections	\$ 900.00
Loan/Financing Fee	\$ 300.00
Management Fee	\$ 3,000.00
Professional Fees	\$ 5,000.00
Promotion and Marketing	\$ 5,400.00
Property Taxes	\$ 1,200.00
Security and Utilities	\$ 230.00
Survey/Site Tests	\$ 900.00
Temporary Utilities	\$ 500.00
Title, Mortgage, Recording and Transfer Taxes	\$ 3,000.00
Subtotal of Soft Costs	\$ 38,530.00
Hard Costs:	
Appliances	\$ 1,800.00
Bathroom Accessories	\$ 600.00
Cabinetry	\$ 4,000.00
Cleanup	\$ 565.00
Compaction	\$ 480.00
Door Hardware	\$ 350.00
Doors & Frames interior/exterior	\$ 1,320.00
Driveway & Sidewalk	\$ 3,000.00
Electrical	\$ 7,700.00
Flooring	\$ 3,100.00
Insulation -Interior & Ceiling	\$ 900.00
Interior Drywall Partitions	\$ 9,300.00
Landscaping (including Berm Fill)	\$ 5,000.00
Lighting Fixtures	\$ 720.00
Lot Maintenance 6 mo @ \$100 mo.	\$ 600.00
Mailbox	\$ 100.00
Mechanical	\$ 5,000.00
Paint	\$ 3,000.00
Plumbing	\$ 7,500.00

Exhibit "A"

Portable Toilet \$90 mo. @6mo	\$ 540.00
Roof-complete	\$ 4,000.00
Shell \$26 to \$35 sq. ft = Average \$31	\$ 38,750.00
Soffit & Stucco	\$ 3,000.00
Storm Shutters	\$ 1,500.00
Termite Pretreatment	\$ 500.00
Wall Base	\$ 1,300.00
Wall Tile	\$ 1,000.00
Windows	\$ 2,200.00
Septic Tank drainfield + or - average lot size adjusted for cental sewer in miscel category	\$ 5,000.00
Subtotal of Hard Costs	\$ 112,825.00
Total Soft and Hard Costs	\$ 151,355.00
Contingencies /Miscellaneous/ Theft, etc. (5% hard costs)	\$ 5,641.25
Developer Profit and Overhead (15% hard cost)	\$ 16,923.75
Land	\$ -
TOTAL UNIT COST	\$ 173,920.00

Exhibit "B"

GSA- Infill Housing Program

#	Developer-Builder	Homebuyer	Lot Type	Infill Site	Folio No.	Sales Contract Amount	Closed Date
				FISCAL YEAR 2007-2008			
27	K&K Custom Homes, Inc	Udell Wiggins	P	10338 SW 180 St #2	30-5032-071-0020	\$205,000	06/27/2008
26	Citywide Development	Jorge O. Mendez	P	10115 SW 171 Str.	30-5032-006-0190	\$185,000	06/27/2008
25	Citywide Development	Abdfeil M. Collina	P	2169 NW 49 Str	30-3122-026-0190	\$185,000	06/27/2008
24	Haven Economic Dev.	LaShantia D. Carter	P	1744 NW 154 Str	34-2115-006-0310	\$210,000	06/25/2008
23	DS Development	Emanuel R. Dobson	B	10385 SW 181 Street	30-5032-000-1341	\$210,000	06/10/2008
22	Florida City/VES	Guerline Demas & Nix	C	1328 NW 5 Ct	16-7824-008-0590	\$185,000	05/28/2008
21	BAME Development Corp.	Arlene Brown	C	4250 NW 31 Ave	30-3121-033-0750	\$170,000	05/23/2008
20	BAME Development Corp.	Tineka Jones	C	2160 NW 43 Street	30-3122-010-0182	\$185,000	04/30/2008
19	Affordable Housing Programs	Bernadin Jackson	B	9516 NW 3rd Ave	30-3101-003-1370	\$185,000	04/30/2008
18	Lancaster Home & Const.	Oscar Gibbons	B	2460 NW 42 St	30-3122-031-0450	\$175,000	04/30/2008
17	Advanced Community Housing	Takisha Jackson	B	10750 SW 219 Str	30-6018-004-0780	\$225,000	04/25/2008
16	Equitable Housing Corp.	Jose L. McBoyle	P	3138 NW 53 Street	30-3121-016-0060	\$225,000	4/4/2008
15	MD Neighborhood Housing Serv	Andrew Cruse	P	3160 NW 58 Street	30-3116-009-1150	\$222,000	03/21/2008
14	Florida City Foundation	Betty Gibbs	C	934 NW 2 Street	16-7824-018-0350	\$220,000	02/29/2008
13	Haven Economic Dev	Dionisio A. Jara	C	9310 NW 3 Ave.	30-3101-003-2600	\$176,000	01/10/2008
12	Lancaster Homes	Altamese Wms.-Rolle	B	2132 NW 57 St	30-3115-024-0270	\$170,000	01/11/2008
11	Lancaster Homes	Dorothy Roberson	P	1838 NW 71 Street	30-3115-005-6840	\$ 170,000	12/28/07
10	Workforce Development Partner.	Jodye E. Scavella	B	5629 NW 6 Ave	01-3113-042-0800	\$ 224,900	12/20/07
9	Lancaster Homes	Danielle Simon	C	3137 NW 13 Ave	01-3126-039-1060	\$ 165,000	12/17/07
8	Lancaster Homes	Marie Nicole Fertil	P	2142 NW 57 Street	30-3115-024-0275	\$ 170,000	12/07/07
7	K & K Custom	Leonard Reid	P	10336 SW 180 Street	30-5032-000-1310	\$ 217,000	11/30/07
6	Lancaster Homes	Pablo Solano/VA	B	4336 NW 24 Ave	30-3122-033-0010	\$ 204,850	11/26/07
5	Munoz Investments, inc.	Earline Green	B	10344 SW 174 Terr	30-5032-010-1010	\$ 225,000	11/15/07
4	Citywide Development	Diana Augustin-Ford	P	5814 NW 12 Avenue	01-3114-043-1840	\$ 225,000	11/09/07
3	Better Homes Dev.	Jedidiah D. Herring	P	2342 NW 58 Street	30-3115-040-0040	\$ 225,000	10/26/07
2	Streamlines/Jag Realty	Pedro Mena	P	2256 NW 64 St.	30-3115-037-0320	\$ 225,000	10/10/07
1	MD Neighborhood Housing Serv	Francois & Marie Casse	P	2109 NW 81 Street	30-3110-075-0040	\$ 190,000	10/10/07