

BUILDER

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SPECIAL ISSUE

Design, Build, and Sell Affordable Housing

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JULY 1999

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HOUSING AMERICA

A CALL FOR HEROES

HOUSING AMERICA'S HAVE-NOTS
REQUIRES COURAGE, COMMITMENT,
AND CREATIVITY. PAGE 74



OUR 10-YEAR ACTION PLAN PAGE 76

INTERVIEW WITH HUD'S CUOMO PAGE 84

FIRST-RATE AFFORDABLE PROJECTS PAGE 88

**SELLING THE DREAM:
HOOK FIRST-TIME BUYERS** PAGE 106

**GOOD-BYE "PROJECTS";
HELLO COMMUNITIES** PAGE 120

**TAP FINANCIAL PROGRAMS
TO GET BUYERS QUALIFIED** PAGE 148

ENERGY EFFICIENCY: IT MATTERS PAGE 170

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CASE STUDY NONPROFIT APPROACH

MISSION ACCOMPLISHED

Everglades Farmworker Villages, Florida City, Fla.

TEXT AND PHOTOS BY CATHERINE P. O'KEEFE

The scribbled directions to the largest farmworker housing project in the United States would make anyone dubious: Route 1 South from Homestead, right at the Miami Sub Shop, left at the "Robert Is Here" fruit stand, right at the Dade County Prison. Is this where they relegate affordable housing?

Once through the gated entry of Everglades Farmworker Villages, however, all worries about disfranchised and ill-housed farmworkers go away. Golf carts crisscross the road, toting maintenance workers to renters' aid. Kids shoot

hoops on the courts, while moms loll in the park, monitoring the development of a coming storm, hoping for rain—relieved it won't be a hurricane.

This 120-acre mixed-use rental community is best described as A.A.—After Andrew. It is the reincarnation of a squalid mobile home park for migrant workers that was trashed by the 1992 hurricane: Of the 400 trailers, two sort of survived, while the demise of the others rendered 154 families instantly homeless.

Rather than rebuild more of the same inadequate shelter, the Everglades Community Association (ECA), a nonprofit group that provides housing for migrant workers, decided to do one better. Steven C. Kirk, executive director, calls the result "a community, not a housing complex."

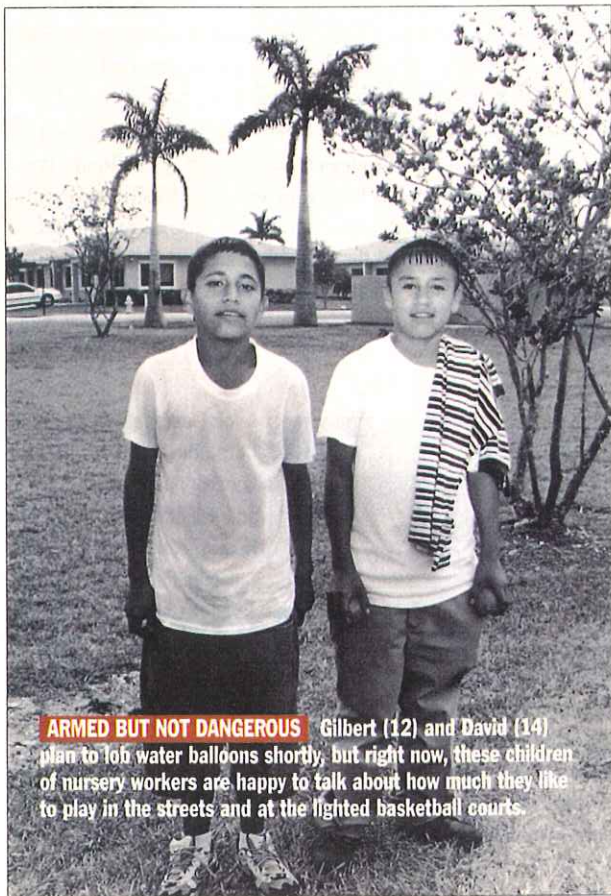
Beyond Shelter

Kirk runs the Villages with the energy and urgency of a missionary. As he walks the site with its spacious metal-roofed community center, pastel houses, brightly colored child care centers, and well-planned (though obviously thirsty) landscaping, he tosses out more facts, stats, and watersheds about affordable housing than any reporter can shake a stick at.

Taking notes quickly becomes impossible, as Kirk reels off one anecdote after another, interrupting himself to greet residents by name and proudly point out "the Bird of Paradise I planted here—and over there." His answer to why builders should get into affordable housing, then, comes as no surprise: "They shouldn't."

That is, unless they have a mission.

Case in point: The Villages. This rental community is unparalleled not only for its size (436 units; \$50 million at build-out), but also for the social provisions its founders zealously dovetailed with basic housing services. The residents are documented aliens—row workers who follow the northward ripening of tomato vines through the growing season, nursery workers who coax life into the ficus trees that grace our great rooms, and seasonal tropical fruit pickers who sit idle for months at a time, waiting for the sweet swell of papaya.



ARMED BUT NOT DANGEROUS Gilbert (12) and David (14) plan to lob water balloons shortly, but right now, these children of nursery workers are happy to talk about how much they like to play in the streets and at the lighted basketball courts.

Mission Accomplished from page 91 housing. To avoid just that, Kirk urges builders not to go it alone.

"Find a nonprofit who wants to develop and own the property, and then you just be the builder," he advises. This way, annoyances like government paperwork, finding market niches, and identifying parcels are taken care of for you.

Once you're in a partnership, work fervently on the relationship. Understand what the nonprofit is up against. For example, says Kirk, "ECA is not like a school board or Department of Transportation job where you can underbid it and then get aggressive with change orders. Community development corporations have to painstakingly assemble their dollars and just aren't in a position to go outside the budget they have."

To the extent they can, builders should encourage nonprofits to avoid competitive bids and instead get involved in a negotiated contract. "With negotiated contracts, you can do some value engineering up front to keep costs and delays to a minimum. Builders can lend their expertise at a time when they're actually in a position to help fix the problem," Kirk says. "With lowest bidder types of deals, the builder is less able to give useful advice, which eventually will cut into his profit."

But most important, says Kirk, "Builders and owners, against their best instincts, need to get together and be more open than they usually are about funds, and then, from the outset, just value engineer the problems away."

Meet the Competition

The builder the Everglades Community Association selected for the \$18 million Phase I of the Villages in Florida



NOTE THE ARROWS on this entrance sign don't point hard right or left. That's because the atypical layout of this affordable master planned community includes curvilinear and diagonal streets, creating interesting streetscapes and variegated spaces for pocket parks.

DON'T ASK, DON'T SELL

Many builders don't ask would-be buyers or renters of affordable housing what they want because they think the answers will result in housing that's too expensive. The Everglades Community Association (ECA) took the opposite tack and held a charrette with prospective residents to get their wish lists. Residents asked for (and got):

- Washer/dryer hookups
- Extra storage space
- Cheap utilities (which translated to whole-house fans and provisions for cross ventilation)
- The ability to see their cars from their living rooms, since cars are often the only asset low-income families have.

City, Fla., wasn't a Pulte or a Beazer or even your buddy Dale from across town. It was Recchi America, a Miami-based company that builds \$60 million in public works projects a year, bidding almost exclusively on government-financed projects.

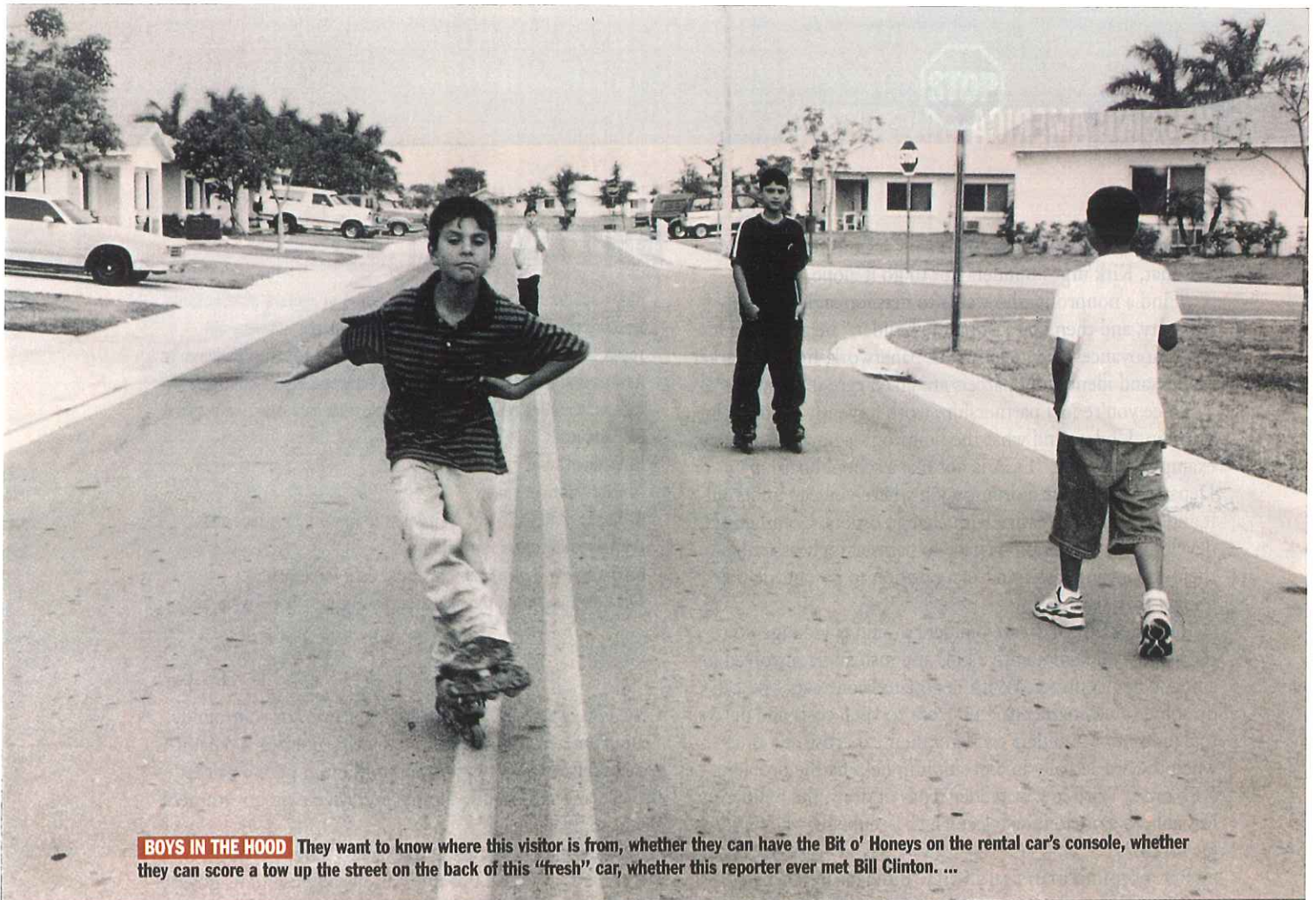
According to Rick Espino, executive vice president, Recchi bid on Phase I of the Villages because of its government funding through the USDA Section 514/516 Farm Labor Housing Program.

Just the program name suggests paperwork and bureaucratic hell. "Yes," Espino agrees, "There's that. But, you know, I like brunettes; some like blondes. Everyone has his own liking. At Recchi, we like the documented control—dotting the i's and crossing the t's—and working around a regimented set of specs and plans rather than around the personal desires of a private developer. We know with the government that the money will be there."

Espino thinks builders who are interested in working with a nonprofit using government money should look at the whole package. "Builders need to know there is a happy medium between private and government contract work. With nonprofits, you have to be more responsive and understand that the public interest has to be kept in mind," he says.

Builders can expect some healthy competition for nonprofit partnership jobs from outside the typical home building universe. "There will be a lot more people interested in the second phase [of the Villages]—actually, a lot more interest in this type of work in general—because of the great job Steve [Kirk] and the architect [RE Chisholm Architects] did and because nonprofits are getting smarter at their business," notes Espino.

For a first foray into this kind of project (though the company has built a small number of condos and homes in



BOYS IN THE HOOD They want to know where this visitor is from, whether they can have the Bit o' Honeys on the rental car's console, whether they can score a tow up the street on the back of this "fresh" car, whether this reporter ever met Bill Clinton. ...

These workers make about \$13,800 a year per household—less than 80 percent of the area's median income. Nearly 12,000 migrant and seasonal farmworkers live in Dade County—Mexicans, Puerto Ricans, Haitians, Cubans. In the eyes of even the most callused marketer, this group represents a huge opportunity for builders with the vision to make things happen.

Kirk knew that these workers would need more than just decent housing. They would need help running their lives. That's why ECA provides after-school activities for kids—including a homework center—a health care clinic, a credit union with programs to encourage savings, inexpensive child

care, and classes to help members of this low-income strata permanently improve their standard of living.

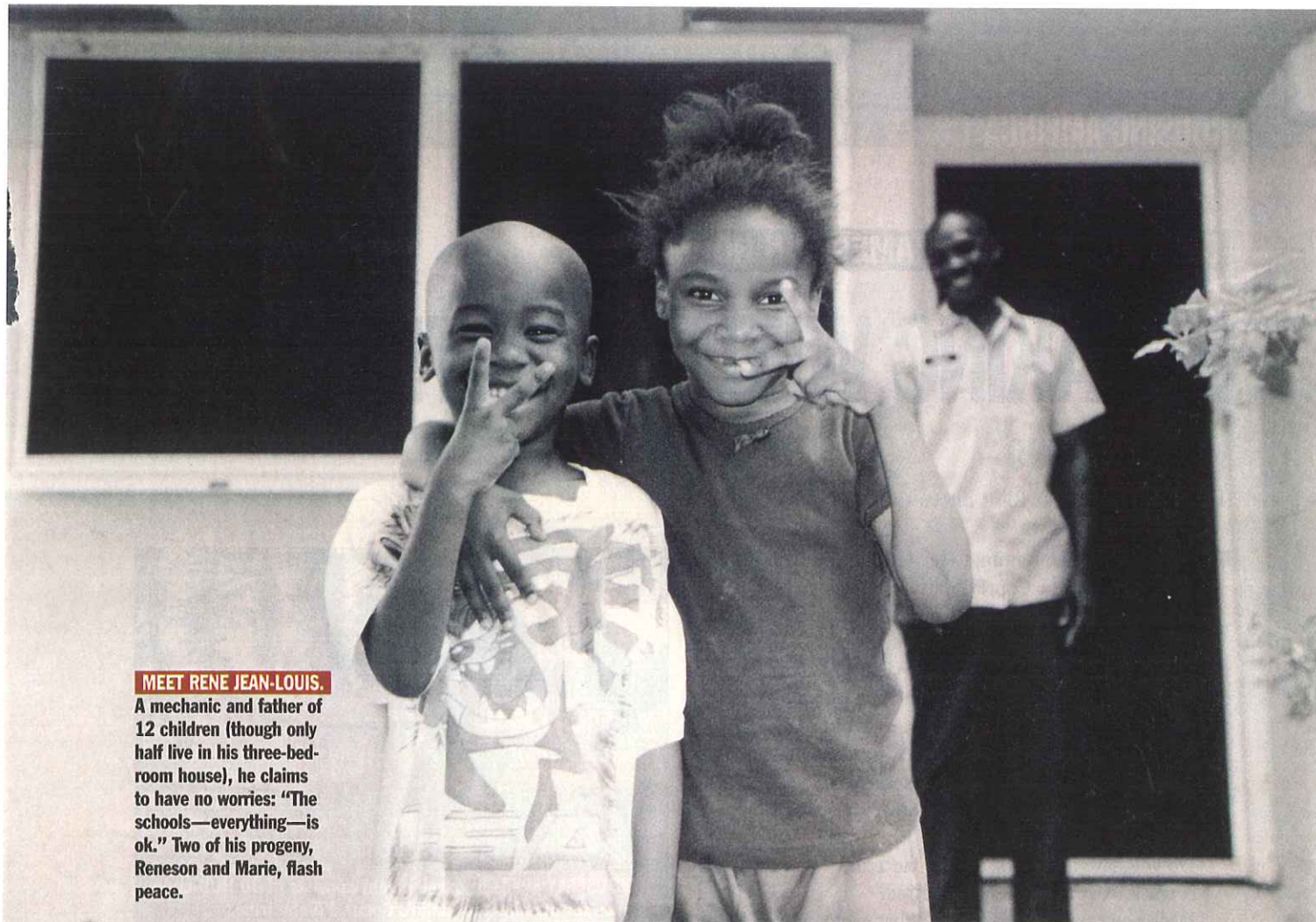
These very services, coupled with an admittedly authoritarian management style, keep the project from becoming dilapidated and gang-infested. "We have a reputation as having too many rules [no pets, no clotheslines, no DIY landscaping, twice-a-year home inspections]," says Kirk. "But go look at the other area projects; they're crummy—pathetic, really." And they are. A spin through three reveals mind-deadening rows of dented mobile hovels on stubby-grass lots. The yards are a cacophony of crap.

Pick a Partner

Kirk thinks that even builders who get into affordable housing with the best of intentions—a mission, if you will—don't understand the danger of "throwing up a potential Cabrini Green and walking away." It's a nightmarish image that haunts every developer of low-income ▶ See page 92



HOW DO YOU BUILD for a high-wear-and-tear government-financed project in a hurricane zone? Concrete block, concrete columns every 20 feet, plywood (vs. pressboard) roof sheathing using more nails, and 25-year mildew-resistant asphalt shingles. Inside, it's 5/8-inch drywall: "You might get a foot through a wall, but not a fist," says ECA's Steven Kirk.



MEET RENE JEAN-LOUIS.

A mechanic and father of 12 children (though only half live in his three-bedroom house), he claims to have no worries: "The schools—everything—is ok." Two of his progeny, Reneson and Marie, flash peace.

Florida), Espino was guardedly pleased with its return. "It was OK," he says. "We were expecting an 8 percent margin but got 4 percent, mostly because the project went to bid and had to be redesigned because it ran over budget. We had to work for five months to redesign and bring things back."

ECA's Kirk acknowledges that nonprofits aren't as experienced and that things like not de-energizing his site in time and not value engineering the design up front contributed to the delays. But he shrugs off Espino's 4 percent lament, saying, "So they wanted 8 and got 4. As tight as construction is on a public project, that's not bad; plus, we paid them \$75,000—straight profit—for some of the delays."

And, anyway, Kirk notes, "Recchi is bidding on Phase II—that should tell you the real story."

Developer: Everglades Community Association, Florida City, Fla.; **Average unit price:** single-family detached and attached rentals from \$355 (two bedrooms; 867 square feet) to \$455 (four bedrooms; 1,110 square feet) plus utilities (approximately 80 percent of tenants receive rental assistance through the U.S. Department of Agriculture's Rental Assistance Program); **Most affordable:** \$355/month for a two-bedroom, one-bath home; **Client profile:** Migrant farmworkers and their families; **Allies/Financing:** USDA Section 514/516 Farm Labor Program, Federal Home Loan Bank Affordable Housing Program, USDA Hurricane Andrew Dire Emergency Fund, Federal Emergency Management Administration, Dade County, Everglades Community Association; **Years in business:** 15; **Builder:** Recchi America, Miami; **Units per year:** Builds about \$60 million in public works projects



IT TAKES ABOUT 2,400 WINGNUTS

to batten down the hatches on the 239 units of Phase I (all of which can be screwed on in three days, as Hurricane Mitch caused the community to find out). The new hurricane codes demand that any penetration of concrete block—even this 10-by-14-inch gas vent—be shuttered.



"I'VE WORKED IN

every bad neighborhood in America," says Steven C. Kirk, executive director of the Everglades Community Association. He draws on that experience to maintain tight, though not inflexible, management practices at the Villages in Florida City, Fla.