



Legislation Details (With Text)

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6/12/2017	1	Housing & Redevelopment Authority		

DATE: June 12, 2017

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

Affordable Housing Development Costs

SUMMARY:

Sample of development costs of 8 affordable housing units on a 2-acres site.

BACKGROUND:

Staff recently became aware of an approximately 2-acre lot in Northfield, which may be for sale in the near future and decided to explore the possibility of utilizing the land to provide up to 8 affordable homes in the community. In addition to exploring costs for site development, staff also considered costs manufactured houses, existing houses (to-be-moved) and new construction.

Staff prepared the accompanying spreadsheet to indicate total costs of re-developing 2-acres of land into 8 individual lots with 3 & 4 bedroom houses. The first approach was to estimate the costs to purchase and move 8 existing homes from a local house mover. The second approach was to estimate the costs of installing manufactured houses at the site.

Staff also considered new construction homes for a two-acre site. However, it was difficult to estimate costs. Builders estimated ranges between \$175,000 and \$225,000 per house to construct 2 - 4 bedroom very basic homes. The amounts do not include the land and site development costs.

ANALYSIS:

This would not be a cost effective way for the Housing & Redevelopment Authority (HRA) to provide affordable housing in the community. Although moving in existing homes is less expensive, it also has the

highest degree of exposure to the HRA because of unknown and un-warranted conditions of the homes.

RECOMMENDATION:

This is a report only. There is no staff recommendation.