

Building Feasibility Analysis

A Guide for Applicants to the VHCB Transitional Housing Fund

Before purchasing a building, it is vital that a comprehensive assessment of the condition and needs of the structure is undertaken in order to accurately determine the funding necessary to insure the efficient operation of the building as safe and sanitary, perpetually affordable housing over an extended period of time. This checklist has been designed as a tool to help applicants evaluate the feasibility of potential projects prior to entering into a purchase and sales agreement for a property. This is in no way intended to replace the involvement of design professionals such as architects and engineers. We strongly believe that their involvement is irreplaceable and recommend that they become involved in the early stages of project feasibility.

Items which should be included in such an assessment include:

Location

- Is the building located within walking distance to jobs, schools, shopping and services? If so, are there sidewalks? Is the property served by public transportation? If not, how will residents get to services?
- If the property will house children, is there adequate space for an on-site play area? Is the building in a high traffic area?
- Is the property located within a flood zone? *Many funding sources, including bank debt will require you to carry flood insurance on properties located within a flood zone, adding to your annual operating expenses.*
- Is the property in compliance with local zoning requirements? If the property is grandfathered, can necessary modifications, such as accessibility modifications be accommodated within current setback limits?
- Is the use allowed under current zoning? Often times “transitional housing” is not a defined use and requires the interpretation of a zoning official and could result in a conditional use or variance request.
- Is the proposed use of the property consistent with other buildings in the neighborhood? If not, what are the other uses?
- Are there any easements, right-of-ways or other deed restrictions that might negatively impact the development of the property?

- Is there adequate parking for the number of people/units you hope to include and any associated staff?
- Do public water and sewerage serve the building? If not, could this building hook up to an existing municipal system?

Building Layout

- Does the building suit the needs of the people you hope to serve, or can their needs be well served with minor modifications in configuration? Would any areas of the building be considered “functionally obsolete”? *Examples of this include bedrooms which are entered only through other bedrooms or bedrooms in basements or without windows.*
- Are there appropriate numbers of bathrooms for shared housing situations? Can accessibility modifications be made to existing bathrooms, or can a new accessible bathroom be fit into the existing floorplan?
- In shared housing, will there be separate areas for locked storage of food items within the kitchen? Can the kitchen be easily modified to comply with the Americans with Disabilities Act?
- Are there common areas that are easily accessible and appropriate to the needs of the target population? For transitional housing projects that propose to house children, is there an identified indoor play area?
- Are there areas which are easily closed off for private meetings and coordination of personal services.
- Are bedrooms appropriately sized to house a mixture of potential household configurations and are bedrooms windows appropriately sized to meet egress requirements?
- If individual apartments are proposed or included, do they function well as permanent apartments should the need for transitional housing or shelter need change?
- Can your use be easily accommodated within the building without requiring substantial reconfiguration?
- Are there existing stairways? Are the stairs steep and are the riser to tread ratio acceptable to fire code and requirements that additional investment may trigger?

Building and Site Components

- Is the building currently hooked up to municipal water and sewer? How old are the connections? Should the building require a sprinkler system, are the water lines of sufficient size and is the pressure adequate to serve the system? *Even if it is not required, you may want to consider adding a sprinkler both for fire safety and insurance cost reasons.*
- Is the building served by either or both an onsite well or septic system? If on-site systems are included, are they separated by the required distance? Is the septic system a permitted or grandfathered system? If it is not permitted, is there adequate land and appropriate soils for a new system sufficient to serve the proposed project?
- What is the age of the current heating system? Does it have zones and controls sufficient for the proposed population/number and needs of residents? If the building is occupied, do the current residents feel that there is adequate heat?
- *The Residential Energy Efficiency Program (REEP) exists to help identify the most cost-effective ways to reduce energy use in a building. Energy efficiency investments reduce your energy costs, while protecting our environment. For no charge, they offer an evaluation of existing systems and recommendations/incentives for upgrades or replacements (888-921-5990).*
- *If the building was built before 1978, there is a great likelihood that the property contains lead-based paint. Unless you are proposing to house only senior citizens, you must make sure that you are in compliance with the Vermont Essential Maintenance Practices Laws. Areas, which typically have high lead concentrations, include: windows, wooden trim and floors (both painted and varnished), old pipes as well as soils. If you suspect a presence of lead paint, you should contact the Vermont Housing and Conservation Board Lead Hazard Reduction Program, which can arrange for free testing and also provides funds for lead hazard reduction (802-828-5064).*
- Are there immediately apparent deficiencies in the electrical system? *Of course this should be evaluated by a professional but the presence of knob and tube wiring, frayed wiring, fuses, lack of outlets, ungrounded outlets and lack of Ground Fault Circuit Interceptors provide early indications of necessary upgrades.*
- Are there immediately apparent deficiencies in the structural system? *Some examples of this include bowing foundation and exterior walls,*

roof ridgelines that are not straight, doors and windows which fail to close properly or have been trimmed in order to close, porches which have excessive and obvious rot or are insufficiently supported.

- How does the basement look? Is there evidence of water infiltration? Is there a sump pump? What is the foundation material? Does the foundation material appear stable? Have there been added supports, or are there adjustable supports? Is there evidence of rot within the structure members?
- How is the upkeep of the property? How does the exterior look? Does the property have multiple layers of siding which could have been installed to cover up paint failure issues which can be indicative of moisture problems or mold? If the building is sided in wood, what is the condition of both the siding and the paint finish? Are there historic architectural details on the building which will be costly to repair and/or replace should they be rotted?

Other Considerations:

- Is the building currently occupied? *Many funding sources carry relocation requirements for a building which can add substantially to the cost of a project, especially when a project requires that existing tenants not return to a project, as is often the case with housing developed with a social services component.*
- Does the acquisition price seem in-line with the market? *Of course, when you apply for funding, you will be required to have a professional appraisal which supports the acquisition cost, but sometimes property owners have unrealistic expectations as to the value of their property and are unwilling to sell below a certain price. Check other local offerings, town assessments and review recent sales within the area. Much of this information is public record and available from the Town Clerk's office. It is not wise to invest a great deal of time and money examining the feasibility if you have a gut instinct that you will be unable to come to an agreement around acquisition price.*