

# Balanced Housing

Promise, Process and Product **REHAB**

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# Summary Findings: New Construction

ing need to build the capacity of this sector through training and technical assistance. Public Housing Authorities have expanded their traditional role and are becoming active both as developers and facilitators of housing development. Also, for-profit developers, who represent a valuable resource for the creation of low-income housing can be tapped more fully in partnership with the non-profit sector.

## Project Type

Project types examined in the study included subdivisions, urban renewal and urban and suburban infill projects. Each category has its own set of issues and challenges, but in general, the complexity and risk associated with new construction is proportional to the scale and site preparation requirements involved. Sponsor groups should be made aware of the **different requirements of various types of projects, and how to determine which options best “fit” their organization’s capabilities.**

## Site Feasibility

Site feasibility studies are a necessary first step to determine whether a project merits further investment of time and money. We found, however, that **over half of the total time spent in many of the projects was devoted to resolving site-related problems.** In some cases, feasibility studies were omitted due to a lack of predevelopment funds. In other cases, early warning signs of trouble were ignored. In a few cases, unforeseen site-related problems emerged late in the process despite thorough planning. The feasibility study provides the framework to develop preliminary cost estimates and the project schedule. If this step is not done properly a penalty is likely to be paid later.

## Design

Design quality refers not to an aesthetic veneer, but rather to how well a project responds to programmatic goals, the needs of users, owners and the surrounding community. **The benefits of quality design can include more efficient use of space, site and construction materials, more lasting value, lower maintenance costs and enhanced occupant and community acceptance.** We found that both experienced and novice developers are often not fully aware of the value added by design. In many cases, legal and financial constraints determine project characteristics rather than design considerations.

## Construction

Some form of **prefabricated construction — ranging from manufactured components to modular units — can help contain construction costs.** We found that in certain applications, modular construction can be less expensive than conventional construction. Both site preparation and customization of the manufactured unit must be kept to a minimum, in order to achieve these savings. To minimize delays in the construction period, regulating agencies must agree to early sign-off on developed plans.

## Delivery

Many obstacles stand in the way of delivering the units to those who need them including: the narrow “window” defining qualified buyers according to conventional underwriting standards; the high front-end costs of ownership, including closing costs and mortgage insurance; the difficulty of keeping monthly carrying costs affordable; and the shortage of rental and non-market alternatives to individual ownership.

*See page 43 for Summary Recommendations of new construction.*