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STATEMENT & NATURE OF PROJECT
Statement and Nature of Project

The following program consists of information pertaining to the fifth year thesis project at the College of Architecture and Planning, Ball State University. We were given the freedom to select our own project and to formulate a program which is to contain any information important in problem solving for our particular project.

The project consists of an elderly housing facility to be located in Dayton, Ohio. In June of 1970 the Local Housing Authority of Dayton invited developers to bid on any or all of three low-rent housing projects to be built under the Turnkey method. One of the three projects consisted of a low-rent housing facility for the elderly.

The site is unique in the sense that although it is located within an urban environment, it tends to have a rural atmosphere about it. Immediately across the street, to the north, are one and two story commercial buildings, while southeast for approximately a half mile is nothing but relatively flat open space with very few trees. There is a ball field within this space which is to entertain any children living in a low-rent apartment complex immediately to the east of the site. However, with the Great Miami river coming from the northeast and curving back to the southeast bordering one side and the new expressway (U.S.25)
bordering the other, this whole area has become very stagnant. Helena Street, which this project is located on, is heavily traveled only because it crosses the river at a point where those coming from the northwest of the city going to the northeast, or vice-versa, can get to their destination without going through the main part of the city or driving further north to another crossing which would be a considerable distance out of the way.

To keep this area from becoming any more stagnant than it is already, and to liven the area up, consideration will have to be given to what is needed in this area to draw people into it and make them want to stop instead of having them use it only as a short cut in getting from one side of the city to the other.

Since the area consists mainly of commercial and residential areas, the emphasis should be placed on day time activities and/or facilities. After the hour of 5:00 p.m. and until dusk some areas could be left available for rest and relaxation not only for those living in the surrounding area, but also, for the public in general.

The elderly housing facility could become an essential part of the regeneration of the entire area. The great majority of the older folks are very capable of handling small jobs and would probably appreciate their new home more if they could do some-
thing worthwhile for their community. It would make them feel as though they were an integral part of society again instead of "cast outs". The women could possibly watch small children for a short period of time when mothers wanted to do some shopping. Others may enjoy mending clothing for people in the community. The men could help in maintaining public areas such as parks, zoos, etc. Although they are small jobs, they all should be considered when building a community.
The drawing is a guide to show position photographs were taken from.
Indicates vehicles in thousands
In one 24 hour weekday

TRAFFIC VOLUMES
Triangle Park
Well-organized softball & baseball games during summer months.

Commercial and industrial area, very active between the hours of 8:00 am & 5:00 pm.

High density housing complex in poor condition.

Island Park
Many activities taking place year round. Some of the activities include: concerts, canoeing, fishing, skating.

Commercial Zone
Located on Main St. Very active, area is in fairly good shape.

Kettering Park
Has 17 softball diamonds & 2 baseball diamonds. Used extensively during summer throughout the week after 6:00 pm. Used for football in fall of year. Two high schools use the area for their practices.
direct commercial nodes
**Time**

The question of time as it effects the potential for growth of the area is an important factor to consider in the planning stages. Rebuilding an area into a community, being a stable entity of its own and yet a part of the total city, is not an overnight process and should not be approached as such. Although this program is an individual effort and lacks the proper amount of time that one should spend on it in reality, it is hoped that many ideas and approaches can be experimented with to, in the end, have a relatively sound evaluation and solution.

Every piece of architecture and planning which is and will be innovated into the area will in some way or another effect its inhabitants, directly or indirectly, immediately or at some point in the future. The facility for the elderly could become just another high-rise structure housing the elderly or it could become a landmark for the community and city to respect and make reference to. Being located within view of U.S. 25 the possibilities of the elderly facility and/or the entire community becoming some type of a reference point or landmark for those living in the city or area and those unfamiliar with the city are extremely good. Before any type of solution(s) can become reality, it must be understood first that its going to take a lot of time and individual effort of all those
that in any way are or will be influenced by the project. This involves the problem of enlightening the people to want to help in the best way they can.
CHARACTER OF BLD’G IN TERMS OF KNOWN PERMANENT INFLUENCES
Economic Aspects of Housing for the Aged

The following report, completed in 1960, was taken directly from the research program on the problems of housing for the aged at the center for Housing and Environmental Studies at Cornell University.

Although the samples did not cover the entire nation and were limited to OASI beneficiaries, a sufficient number of elderly were studied that the study undoubtedly carries many implications and has much to contribute insofar as the national situation concerning housing for this age group (65 and over) is concerned.

I. INTRODUCTION AND SELECTED BACKGROUND DATA OF STUDY

Most literature on the aging has suffered from one limitation—statistics have been available for only broad categories. There has tended to be an implication that the aged represent a somewhat homogeneous group. For example, we have read about their small households and large houses; that they usually owned their own homes; that these homes were generally of low value and frequently of poor quality; and that they had low incomes.

This image, general as it may be, is hardly compatible with an understanding of the total housing problem through private, nonprofit, and public housing developments.

The aged do not represent a homogeneous group but an extremely heterogeneous one. There are distinctive differences in terms of age and sex, their living as individuals or couples in their own households or in the households of others, the size of community in which they live, the existence of children, the composition of the household, past and present occupations (if still in the labor force), income levels, and health status.

A. Age and Sex: Because women tend to outlive men, there are more women in the aged population. A total of 46 percent of the aged interviewed were married and living with spouse, 39 percent were widowed or single women, and 15 percent
were widowed or single men.

B. Living Arrangements: Four out of every five aged lived in their own household, thus retaining more independence than if they had lived with others. These households were small. Four out of every five contained only one or two persons (29 percent one person and 52 percent two persons). A total of 63 percent of the widowed or single women lived in their children's households. In four-fifths of these instances the children were married; and half of the households were comprised of three-generation families. The median age of the head of the household was 46 years. The women not living with children usually were living with sisters or with friends or employers (such as housekeepers). The median age of the head of these households was 68 years. A total of 55 percent of the widowed or single men lived with their children. In even a higher proportion of instances (compared with women), however, did they live with married rather than unmarried children. There also was a higher proportion of three-generation households (54 percent of all the households where widowed or single men were living with their children.) Men not living in their own households and not living with children usually were living as roomers (in contrast to women, who lived with other relatives, friends or employers).

C. Marital Status: One out of every five aged were not living in their own households. Two-thirds of this group were widowed or single women, and one-fourth were widowed or single men. (The small remainder represented married couples.)

D. Size of Household: A total of 78 percent of the aged living in their own households had one or more living children. However, only a small proportion (one-fifth) had children living with them. They usually were adult, unmarried children. Approximately 20 percent of these households contained three-generation families.

E. Children: A total of 80 percent of the respondents interviewed who had been married had some living children. The percentage was higher among the individuals not living in their own households than among those living in their own households. Of those who had living children, however, there was no significant difference in the number of children under the different living arrangements.

F. Household Composition: A small proportion
(less than one-seventh) had other relatives or non-relatives living with them. The relatives most frequently were sisters and brothers. The non-relatives were friends or roomers.

G. Income Level: The median income of all aged living in their own households was $1,905. The median income of all aged not living in their own households was $1,040, only slightly over half that of aged living in their own households.

H. Health Status: Approximately two-thirds of the women and a slightly lower proportion of the men indicated they were bothered by some health problem. Arthritis and rheumatism were the most common ailments—46 percent of the women and 34 percent of the men who had a health problem indicated they had this type of problem. Health conditions were found to be somewhat poorer among those not living in their own households. A higher proportion of aged not living in their own households were bothered by some health problem—72 percent for both women and men.

II. Economic Position of the Aged

It has long been recognized that one of the most serious problems related to the housing needs of the aged is their general economic level. We have here, on the one hand, a group whose earnings have frequently drastically declined, while, on the other hand, their housing expenditures, if their shelter requirements are to be adequately satisfied, may remain high.

There have been several studies bearing directly on the economic status of the aged in the United States. However, as is the case for most of the data concerning the aged, much of the analysis of available data would have been more meaningful if the data had been subclassified more extensively. Also, in the instances of some studies, the recipient unit was suitable for studying the population as a whole but was not especially appropriate when the analysis focused on this particular age group. Epstein says, in this connection, "The crucial question then is whether it is useful for social policy determination to take account of the resources of all related persons who live together or whether the analyst should try to segregate the resources of the aged from those of adult children and other relatives." She then concludes, "...in a society which expects the retired worker and his widow to have a modicum of financial independence, the second
A. Labor Force Participation: A total of 42 percent of the men and 11 percent of the women were in the labor force. Labor force participation was considerably lower among aged individuals not living in their own households than among others. Labor force participation was appreciably higher among married men than among those who were widowed or single. Among those men still in the labor force approximately half were employed in part-time positions, approximately a fourth in the same position in which they had worked most of their lifetime, and the rest were working full-time in different positions or they were unemployed. Among part-time workers, aged living in their own households tended to work a few more weeks per year than those not living in their own households, but the number of hours worked per week was approximately the same (half worked less than 20 hours per week). Only 15 percent of the men not in the labor force were disabled.

B. Sources of Income: The most common source of income for all aged, as would be expected, was Social Security. Approximately a fourth of the aged received some income from pensions, a fourth income from savings, and approximately a fifth income from property rental. Only 17 percent of the respondents indicated only one source of income, 45 percent listed Social Security plus one other source, 26 percent Social Security plus two other sources, 9 percent Social Security plus three other sources, and 3 percent Social Security plus four or more sources. The amount of income tended to increase with an increase in the number of sources.

C. Levels of Income: Income level was usually higher among couples than among widowed or single men; and higher among widowed or single men than among widowed or single women. Income levels also were higher among those living in their own households. The median figures based on living arrangements were as follows: Couples-OHH $2315 and NOHH $1600; widowed or single men-OHH $1600 and NOHH $1270; and widowed or single women-OHH $1385 and NOHH $915. Among men who were working at a different job than the one at which they had worked most of their lifetime there was an appreciable decline in income from what they had earned at their regular occupation. There was a further decline if they were working part-time.
and, of course, a still further decline if they were not in the labor force. Those aged not in the labor force who had been in high income occupations while they were working had higher incomes after they left the labor force than those who had been in the low income occupations. Health status had an important bearing on level of income, poorer health reducing the level of income.

D. Income as a Determinant of Housing Arrangement:
Income was a principal determinant of degree of independence in housing arrangement. Owners living in their own households were found to have the highest incomes, followed by renters living in their own households, aged living with other than children not in their own households, and, finally, aged living with children not in their own households.

E. Other Factors in the Economic Position of the Aged:
An owned home was undoubtedly one of the most common assets of the aged and in many ways the most important. A total of 68 percent of those living in their own households owned the dwelling unit they occupied. The median value of owner occupied single-family dwelling units, among aged living in their own households, was $11,940. The median for couples was $12,355, for widowed or single women $11,405, and for widowed or single men $10,590. The figure was lower for unattached men than women, despite their higher average income. Units purchased before 1910 and still occupied had appreciated 300 percent in value; those purchased between 1910 and 1919, 233 percent; between 1920 and 1929, 131 percent; during the depression years, 178 percent; between 1940 and 1949, 118 percent; and since 1950, 30 percent. Only 11 percent of the owner occupied single-family dwelling units of aged living in their own households had mortgages attached to them. The median amount of mortgage was $4200; and the median number of years in which mortgages were to be paid off was eight. The median monthly payment was $50. The median monthly costs of utilities for owners living in single-family dwelling units in their own households was $22. Most respondents indicated repairs costing in excess of $50 had been made since they became 55 years of age, and the median total cost of these repairs was $830. The most common repairs were painting (median cost for inside painting was $100 and for outside $200), roofing ($300), and heating ($500). Some or all of such repair work as painting and carpentry (basement,
stairways, porches, floors and kitchen) was
done by the aged themselves in from 33 to 46
percent of the instances. Median gross monthly
rental of individuals living in their own
households was $60. Couples generally paid
highest rents and lowest rents were paid by
widowed or single men. A total of 14 percent
of the aged living in their own households
and 60 percent of those not living in their
own households received their accommodations
rent-free. For approximately half of these
persons living in their own households no con-
tribution was made in either services or money.
Approximately a fifth, however, made some con-
tribution in the form of services, and another
fifth made a periodic money contribution. Only
7 percent of the aged living in their own
households rented out rooms. Rooms were most
commonly rented out by widowed or single women
occupying large houses. A total of 40 percent
of the aged owned a car. The percentage was
higher among persons living in their own
households than among persons not living in
their own households, and higher among couples
than among widowed or single men, and appreciably
higher than among widowed or single women.
Among various items of household equipment,
radio (94 percent), television (85 percent),
telephone (83 percent), and electric vacuum
(82 percent) were the most common items owned.
They were more prevalent in households of married
couples than in those of unattached women, and
more prevalent in households of unattached
women than in those of unattached men. They
also were more prevalent among higher, than
lower, income families and among owners than
renters.

III. PRESENT HOUSING SITUATION

Some clues to the kind of housing occupied by aged
individuals and families covered by this study have
been given in previous sections of this report.
The matter of house value, for example, was discussed
in the preceding section as a part of the discussion
on the asset position of the aged.

It is the purpose of this section to discuss the
present housing situation of the aged in greater
detail.

A. Occupancy Status of the Aged: Among the aged
living in their own households 68 percent owned
the dwelling unit they occupied, 28 percent
were renters and 4 percent occupied rent-free accommodations. The percentage of owners was higher among married couples than among widowed or single women or men. There was a higher percentage of renters among unattached women than among unattached men or couples. Couples, whether owners, renters, or occupying rent-free accommodations, generally lived alone, and unattached men and women also tended to live alone, except men who were owners (who frequently had one other person in the household). Renters, whether couples or unattached men or women, tended to live alone more commonly than owners or those who occupied rent-free accommodations. If the aged were not living alone, there were children in the households more commonly among households occupied by married couples, but relatives (other than children) and non-relatives were more common in households of widowed or single men or women. Aged individuals living in their own households occupied dwelling units having a median of five rooms. If they had children living with them, the size increased to a median of six rooms, but for unattached women living alone it declined to four rooms, and for unattached men living alone, three rooms. Owner-occupied houses contained a median of six rooms, rented and rent-free units among aged living in their own households had a median of three rooms (a median of four for couples). A low persons-per-room ratio was found. A ratio of 0.50 or less was found among 77 percent of the married couples, 89 percent of the widowed or single women, and 80 percent of the widowed or single men. The ratios increased appreciably among households where the aged or spouse was not head, but there still was no serious overcrowding.

B. Quality of Housing: Aged living in their own households occupied dwelling units somewhat poorer in quality than those living in the households of others. The distributions were as follows: living in own households—good quality 70 percent, fair quality 14 percent, and poor quality 16 percent; not living in own households—good quality 79 percent, fair quality 13 percent, and poor quality 8 percent. Among those living in their own households, the dwelling units occupied by widowed or single men generally were poorer in quality (despite their generally higher average incomes) than those occupied by widowed or single women; and those occupied by widowed or single women in turn were poorer
in quality than those occupied by married couples. Widowed or single men living alone occupied the highest percentage of poor quality housing—40 percent. Unattached men not living in their own households also occupied poorer quality housing than unattached women; and unattached women in turn occupied poorer quality housing than married couples not living in their own households. The quality of housing was found to improve with an increase in income level of the aged. Owners generally occupied appreciably better housing than renters. Poorest quality housing was found among those dwelling units fifty years old or older. Aged in the poorest health condition tended to occupy the poorest quality housing.

C. Size of Dwelling Unit: Among the aged not living in their own households, 15 percent owned the dwelling unit they occupied, 25 percent rented, and 60 percent occupied rent-free accommodations. The percentage of married couples and unattached women owners and occupying rent-free quarters was higher than the percentage of unattached men, and was offset by a higher percentage of unattached men paying rent. Unattached men and women not living in their own households tended to live with children, if they were owners or occupied rent-free accommodations, but tended to live with others if they were renters. Among aged not living in their own households there was a median of four persons per household, if the aged owned the dwelling unit; a median of three if they were renters; and a median of two if they occupied rent-free accommodations. When aged were not living in their own households the median size of dwelling unit occupied was six rooms. There was a median of six rooms among owners, five rooms among renters, and seven rooms among those occupying rent-free accommodations.

D. Years Lived in Present Place: Aged living in their own households usually had lived in their present dwelling unit longer than those not living in their own households (medians of 18 years and 8 years respectively). Among those living in their own households, couples had lived in their present dwelling unit a median of 19 years, unattached women 16 years, and unattached men 17 years. The median for the three groups not living in their own households was 8 years in each instance. Aged living in their own households had lived in the present dwelling unit appreciably longer if they had children living with
them (couples 24 years, unattached women 23 years, and unattached men 28 years) than if they were living alone or had others living with them. Aged living in their own households who had low incomes generally had lived in their present dwelling unit longer than those having high incomes. Owners had lived in their present dwelling units appreciably longer than persons occupying rent-free accommodations, and those occupying rent-free accommodations had occupied their dwelling units longer than renters. Owners not living in their own households had occupied their dwelling units longer than owners living in their own households. On the other hand, aged occupying rent-free accommodations and living in their own households had occupied those accommodations longer than if they were not living in their own households.

IV. RANGE OF HOUSING NEEDS

It should be obvious, from the discussion in the foregoing sections, that the aged represent nearly every type of housing need. The spectrum is as broad as for any other age group, if not broader.

Before attempting to bring together some of the most important data given in the preceding sections for the purpose of developing some estimates of housing needs based on the aged studied in this research program, it is important that attention be called to three general background factors that must not be forgotten when future housing programs are developed for this age group.

1) The housing requirements of any family or individual are dynamic. This is true at all age groups, but especially among the aged. The requirements of a married couple around the age of 65 are quite different from those of a widow or widower at the same age, and their requirements are, in turn, quite different from aged individuals of 80 or over, when infirmities and frailty are apt to have set in.

2) The requirements also will change as broad, general elements of the problem change. Wage earners are tending to retire at an earlier age. This means that earnings from employment are likely to be cut off earlier in the future than at present. On the other hand, Social Security payments tend to increase
(but obviously not enough to offset loss of earnings), so that a larger proportion of the aged should have more cash income after retirement in the future than today. At the same time the life span continues to increase. This fact means that there will be more aged in our population and that there will be more husband-wife couples in the group (widowhood will begin at a later age), both of which will have a direct bearing on housing needs. In succeeding decades, we also may see other changes.

3) While we must recognize these two factors on the "need" side are highly dynamic, we must also recognize that once a physical structure is built, it tends to be permanent. Although alterations always are possible, they usually are extremely costly especially if the basic character of the structure is to be changed.

A. Estimate of Need: Because of these factors, it is important to maintain a constant review of the housing needs of the aged. However, in returning to the data at hand, it is possible to observe some specific aspects of need as evidenced by the situation at the moment. The principal questions are: how much can how many aged afford to pay, and what are the characteristics of those in need?

The first problem is to review the findings on the economic position of the aged and determine which classifications of data are most useful.

A scale taking into account all economic assets—earnings, other income, liquid assets, non-liquid assets, and the like, could not be developed because all of the necessary data were not available. This is not considered a serious limitation, however, because it is known that income is a good general index and that few aged persons having low incomes are likely to have significant liquid assets.

Extensive data have been developed in this study on the characteristics of these groups. It has been determined, for example, that there are appreciable differences in the needs of married couples, widowed or single women, and widowed or single men. As in the case of the income classes, proportionate distributions of both marital status and sex should be taken into account.
Then there are the closely related matters of present living arrangements and occupancy status. It is an assumption of this report that most aged prefer independent living. Therefore, the requirements of those not living in their own households should be recognized, and all such households should be included under "need".

Finally, there is the matter of the quality of the housing of those living in their own households. It is assumed also that the aged have a right to decent, sound, and sanitary accommodations, and that fair and poor quality housing do not fulfill these criteria. Therefore, those occupying such housing are included in the need.

B. Other Factors: Considerable attention has been given to several other factors in the preceding sections which have an important bearing on the nature of the housing need.

(1) Size of household—Most households of the aged are small, being comprised of only one or two persons. This suggests small one- or two-room housing units. Not only do smaller dwelling units satisfy the household size requirements but fewer rooms are easier to maintain when physical deterioration and bodily change occur in the aging process.

(2) Children—Eighty percent of the aged interviewed had living children. Of the total aged living in their own households, only one out of six had children living with them. Among those aged not living in their own households, three out of five were living in the households of their children. Obviously, the latter proportion would drop drastically if independent living could be arranged for these aged persons.

(3) Other relatives and non-relatives—Only one out of every seven aged living in their own households had other relatives or non-relatives living with them (sisters, brothers, roomers, friends, and so on). These "others" frequently also were "aged."

(4) Sex—Although data regarding single or widowed men and women was considered earlier, one other important related factor should be mentioned here: the generally poorer quality
of housing occupied by widowed or single men (despite their higher incomes) as compared with women. Apparently some factor other than the economic one is at work here creating this general situation.

(5) Health status—While a degree of physical deterioration obviously should be expected with increased age, and a high proportion of the respondents acknowledged that certain health problems bothered them, nevertheless from the point of view of housing it was surprising to note the high proportion whose health condition was sufficiently good to permit independent living. (People in institutions were not interviewed.)

(6) Size of community—There were no significant differences in need which can be attributed directly to the size of the community in which the aged live, except that incomes and quality of housing tended to decline with decline in size of community.

(7) Geographic area—There were differences both in level of income and quality of housing with reference to the areas covered in the samples for this study. Among the metropolitan areas incomes tended to be highest and quality of housing best in Los Angeles, and income tended to be lowest and quality of housing poorest in St. Louis.

(8) Farm-nonfarm—Farmers tended to have lower incomes and a lower proportion of good quality housing than individuals engaged in nonfarm occupations.
Number of days per person per year of restricted activity and bed disability by age: United States, July 1957-June 1958

RESTRICTED-ACTIVITY & DISABILITY
Percent of persons with any degree of chronic limitation of activity and mobility according to age: Noninstitutional population, United States, July 1957-June 1958

Limitations of Aged
FINANCING METHODS & CONSIDERATIONS
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Provision of Housing for Low-Income Families by the Turnkey Method

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Appendix 10. Letter of Intent to Enter into Contract of Sale of Low-Rent Housing Project to Local Authority

Appendix 11. Contract for Inspection Services (Turnkey)

Appendix 12. Contract of Sale
Provision of Housing for Low-Income Families by the Turnkey Method

1. General

a. Under the Turnkey method, a developer or builder who owns a site or an option, or can obtain one, may submit, in response to an invitation from a Local Housing Authority (LHA), a proposal to build housing of good design, quality, and workmanship for low-income families. If the developer's proposal is acceptable to the LHA and the Department of Housing and Urban Development (HUD), the LHA will enter into a Contract of Sale under which the LHA agrees to purchase the completed development. This contract will be backed up by the financial assistance commitment of the United States of America, acting through HUD, to the LHA (see Appendix 1), and it will enable the developer to secure commercial construction financing in his usual way. In those cases where the developer is ready to start construction, he may request the Accelerated Turnkey Program (ATP) (see paragraph 1d below), which telescopes the Turnkey process.

b. The requirements as to a certified or recertified Workable Program for Community Improvement, relocation, Title VI of the Civil Rights Act of 1964 and other equal opportunity regulations, and the prevailing wage rate provisions of the Davis-Bacon Act and other statutory requirements with respect to the conventional program are applicable to the Turnkey method.

c. The sequence of steps for Turnkey projects is set forth below. Except as stated in paragraph 1d below, all of the steps and related procedures set forth in this Handbook shall be taken for each Turnkey project in the order stated. Briefly, these include, following the approval of the LHA's application for a low-rent housing program, the following steps:

1. the advertisement by the LHA for Turnkey proposals;
2. the evaluation of proposals by the LHA and the Regional Housing Assistance Office (HAO);
3. the appraisal of the proposed site;
4. the Feasibility Conference during which agreement is reached on the project design and the price of the land;
5. the developer's preparation of preliminary drawings and outline specifications;
6. independent cost estimates and LHA and HAO evaluation of the proposed price for improvements;
7. the Negotiation Conference during which a price for the improvements is agreed upon;
8. the preparation of the LHA Development Program;
(9) the execution of the Annual Contributions Contract between the LHA and HUD and the Letter of Intent by the LHA, the developer, and HUD;

(10) the developer's preparation of working drawings and specifications and their review and approval by the LHA and the HAO;

(11) the submittal of such working drawings and specifications for updated cost estimates;

(12) the execution and approval of the Contract of Sale between the developer and the LHA; and

(13) the start of construction.

d. As an alternative, the developer may request an Accelerated Turnkey Program (ATP) following his selection as the Turnkey developer. ATP permits a developer to submit his working drawings and specifications at the time of or immediately after his selection rather than waiting until the approval of the Letter of Intent. A Feasibility Conference is not held. Instead, the developer's working drawings and specifications are submitted to two cost estimators at the same time as the proposed site is being appraised. The developer then attends a Negotiation Conference at which a price for land and a price for improvements are separately agreed upon. Thereafter, following approval of the Development Program and the execution of the Annual Contributions Contract, the developer may enter directly into the Contract of Sale with the LHA. Thus, under ATP the following Turnkey steps are not required: the Feasibility Conference and, in connection therewith, the preparation and review of rough sketches and general description of the project; the preparation and review of the preliminary drawings, outline specifications, etc.; the entire cost estimating and evaluation process in connection with the preliminary drawings; and the Letter of Intent.

2. Application, Program Reservation, and Preliminary Loan

a. The LHA shall submit to the HAO an Application for a Low-Rent Housing Program and, if funds are required to cover Turnkey expenses, for a Preliminary Loan Contract. If the program reservation was issued before the LHA decided on a Turnkey program, the LHA shall advise the HAO of its intention to use the Turnkey method.

b. If the application is approved, the HAO will issue a program reservation and approve a preliminary loan, if requested.

3. Inviting Proposals

a. Proposals shall be publicly advertised with respect to all Turnkey projects to ensure that all interested parties have the opportunity to
participate. In addition to meeting the advertising requirements, other methods of invitation may be used, such as solicitation of trade associations.

b. Publication of the invitation is required in all cases in one or more newspapers of general circulation in the locality, at least once a week for two consecutive weeks. Whatever publicity methods are used, such publicity must state the date by which proposals must be received. This date shall be no earlier than 14 days after the last publication in the newspaper. Immediately following the preparation of the initial advertisement, the IHA shall provide the HAO with a copy, together with a written statement setting forth the dates of publication.

c. The required advertisement concerning a proposed development shall -

(1) In general, state the number of units and rooms; the number of units for elderly and nonelderly; the spaces required for community, management, and maintenance areas; parking and outdoor recreation facilities; the type of housing (row house, elevator, combination of the two, etc.) if the IHA has made such a determination; and a description of the types of locations desired with reference to physical environment and accessibility of facilities such as schools, shopping and transportation.

(2) Call attention to HUD requirements and the availability of detailed information at the IHA as to:

(a) Davis-Bacon prevailing wage rates,
(b) Title VI of the Civil Rights Act and other equal opportunity provisions,
(c) Site approval,
(d) Necessity for a Statement of Disclosure of Interest on the part of the developer and/or builder (see paragraph 4c below),
(e) Necessity for a statement with respect to any opportunities for training and employment to be given to lower income persons residing in the area and as to whether the developer, or any of his subcontractors, are located in or owned in substantial part by persons residing in the area of such housing (see paragraph 4d below).

(3) Request three copies of a proposal which shall include the following:

(a) Completed Form HUD-5090, Proposed Turnkey Project Description (Appendix 2), obtainable at the IHA.
(b) Rough sketches of the site or sites layout, buildings, and unit plans.
(c) A statement as to the zoning for the proposed site and whether it is permissive.
(d) A statement of the developer's total Turnkey price itemized as follows:

       Site
       Site Improvements
       Dwelling Construction and Equipment (Specify if ranges and refrigerators are to be furnished by developer)
       Non-dwelling Construction
       Architectural and Engineering Services
       Other

   Total Developer's Price

(e) A statement of the developer's and/or builder's qualifications to undertake the proposed project with efficiency and dispatch, including a brief statement of previous experience in developing similar projects.

4. Evaluation of Proposals and Selection of Developer

a. Transmittal to HUD. As soon as the deadline for the receipt of proposals has passed, the LHA shall advise the HAO by telephone as to the responses received and shall immediately send two copies of each proposal to the HAO. The LHA shall retain as part of its records one copy of each proposal.

b. Evaluation

   (1) HAO staff will assist the LHA in its review of each site proposal and in its evaluation of sites and will agree with the LHA on the one (or more) to be recommended. At the same time, or immediately thereafter, the HAO Realty Officer will also gather the information required for and prepare site reports in accordance with paragraph 6 of Section 1, Chapter 1, RHA 7410.1.

   (2) The LHA and HAO shall evaluate each proposal on the basis of: (a) site--its location, cost and other factors pertinent to the site report, (b) construction--its design and cost, (c) credentials of developer, (d) the developer's and/or builder's Statement of Disclosure of Interest.
Evaluation of the price of the site and of construction will be in terms of whether these prices are within a reasonable range.

There will be no price negotiation at this stage.

c. Disclosure of Interest

(1) The IHA shall obtain from the developer with his initial proposal the names of the developer's officers and principal members, shareholders and investors, and other parties having a substantial share or ownership interest in the developer, in the form of the "Developer's Statement of Disclosure of Interest," Form HUD-5089 (Appendix 3) which is obtainable from the IHA. The Statement, or Statements, shall be submitted in duplicate to the IHA with the developer's initial proposal.

(2) The IHA shall mail one copy of each Statement to the HAO as soon as it is available, and prior to the HAO site visit, and retain the other copy for its files.

d. Training and Employment Opportunities for Lower Income Persons. It is a HUD requirement that, to the greatest extent feasible, contracts for work to be performed shall, where appropriate, be awarded to business concerns, including but not limited to individuals or firms doing business in the fields of design, architecture, building construction, rehabilitation, maintenance, or repair, located in or owned in substantial part by persons residing in the area of such housing. Moreover, to the greatest extent feasible, opportunities for training and employment in connection with Turnkey programs must be given to lower income persons residing in the area of such housing. Therefore, in the evaluation of Turnkey proposals special consideration should be given to proposals from such local concerns, or to developers who indicate an intention to subcontract with such local concerns, or to developers whose Turnkey proposal includes a plan for the training and employment of lower income persons residing in the area.

e. Tentative Selection of Developer. The IHA shall notify the developer of his tentative selection by letter (Appendix 4). The IHA shall prepare a statement setting forth the factors which contributed to the
selection of the developer, and this statement shall be held available for public inspection. The developer so selected shall have been the one that has been selected by the LHA and approved by the HAO. However, this tentative selection does not indicate that the developer's prices for the site and construction are acceptable, but only that they do not appear to exceed an upper limit for negotiating purposes.

5. Appraisals

a. There will be two appraisals of the site of each Turnkey project, performed independently of each other and of the developer and/or builder. If the site for a Turnkey development is in an urban renewal project area and is to be purchased by a developer from the local public agency undertaking the urban renewal project, the LHA shall not obtain any appraisal of the site.

b. To assure objectivity in the appraisal process, no appraiser may be selected if: (1) he is the recommendation or selection of the developer and/or builder, (2) he has provided an appraisal for the developer and/or builder with respect to the same site, (3) he is at that time under contract to perform appraisal services for the developer and/or builder, or (4) there is any other reason to indicate that his appraisals might be affected, directly or indirectly, by his associations with the developer and/or builder, or previous owners. The choice of appraisers shall not be restricted to the members of any particular organization.

c. The steps in the selection and employment of appraisers and the review and evaluation of appraisal reports are set forth in Appendix 5 and shall be followed.

d. The LHA shall stress with each selected appraiser the importance of each performing his appraisal services independent of the other and of the developer and arriving at completely independent conclusions.

e. The HAO and the LHA shall not inform the appraisers of the price at which the developer is proposing to sell the land.

6. Feasibility Conference

a. This conference is held in the HAO. Participating will be LHA representatives, the developer, his architect and other associates, and HAO staff. It has three primary purposes:

   (1) to negotiate the purchase price of the land;
(2) to discuss project design and HUD requirements, including planning and design criteria (see Appendix 6), utility selection, labor regulations and wage rates, statutory cost limits, Title VI of the Civil Rights Act and other equal opportunity requirements, status of the Workable Program for Community Improvement, relocation of site occupants, the preparation of the developer's firm proposal including length of construction time, and data for the LHA's Development Program;

(3) to set dates for:

(a) submission and review in the HAO of the preliminary drawings and other data required for the Letter of Intent,
(b) a Negotiation Conference,
(c) execution of the Letter of Intent.
(d) submission and review by LHA and HAO of working drawings and specifications, and
(e) execution of Contract of Sale.

b. At this conference, the HAO and LHA staff shall recommend any changes to the developer's rough sketches needed to conform with HUD design standards and as may be agreed upon by the participants.

c. Except for the final negotiation of the price of the land (paragraph 6a(1) above) and the discussion of price changes to the original proposal resulting from agreed design changes (discussed in paragraph 6b above), there will be no negotiations on the total price of improvements at this meeting. Instead, the developer will be advised of the HUD cost estimating requirements and procedures, and that the price that the LHA and HUD will agree to pay for the improvements will be determined following their review of the cost estimates.

d. At this Feasibility Conference the developer and LHA will be advised as to HUD labor requirements including: (1) that the wage rates to be paid cannot be less than determined to be prevailing in the locality by the Secretary of Labor pursuant to the Davis-Bacon Act and that the wage rates proposed by the developer as the prevailing rates will be submitted to the Secretary of Labor for his consideration in such determination. (The Special Conditions, Form HUD-53018 (Appendix 7), together with the minimum rates of pay as determined by the Secretary of Labor, will be incorporated as a part of the working drawings and specifications for the completion of the improvements as set forth in the Contract of Sale); (2) that the developer and/or builder and subcontractors will be subject to requirements of the Equal Employment Opportunity clause in Form HUD-53018; and (3) that the LHA will be responsible for compliance with these requirements in the same manner as provided in Section 12, Chapter 2, RHA 7415.1.
e. At the conclusion of the meeting, the developer shall receive specific instructions as to the changes required in his rough drawings and shall be asked to prepare preliminary drawings, outline specifications, and other material (see paragraph 7) in accordance with the agreements reached at the Feasibility Conference, and shall be requested to send such drawings, specifications and materials to the IHA as soon as they are completed and within the time schedule established at the meeting.

f. The HAO shall separately discuss the selection of cost estimators with the IHA.

7. Preparation for Negotiation Conference

a. After the Feasibility Conference has been held and an understanding reached, the developer shall proceed with the preparation of the material (Appendix 8) required for the Negotiation Conference as described in paragraph 9 below.

b. To obtain maximum quality in planning, design, and livability of a housing development, the developer shall provide the services of a registered architect to prepare all necessary drawings and specifications detailing his initial accepted proposal. Where it is proposed to use such dwelling units as detached or duplex dwellings, mobile homes or factory fabricated dwellings of a design and construction acceptable to the LHA and HUD which might be categorized as "stock unit plans," the services of the developer's architect will not be required for their design. In such a case, if the project consists of 16 or more units, the developer shall employ a registered architect to provide and direct the other services required for the comprehensive physical planning of the development, including working drawings and specifications for site design, building foundation design, utilities and other site improvements, non-dwelling facilities, etc. In all cases, the architect and his collaborators should receive fees commensurate with their professional responsibilities.

c. Upon receipt of the preliminary plans, the LHA and HAO will review them and discuss them with the developer and architect who will make the necessary changes in them before the plans are given to the cost estimator.

8. Cost Estimates

a. There will be two cost estimates with respect to each Turnkey project, performed independently of each other and of the developer and/or builder.

b. To assure objectivity in the cost estimate process, no cost estimator may be selected if: (1) he is the recommendation or selection of the developer and/or builder, (2) he has provided a cost estimate for the developer and/or builder with respect to the same proposal, (3) he
is at that time under contract to perform cost estimating services for the developer and/or builder, or (4) there is any other reason to indicate that his cost estimate might be affected, directly or indirectly, by his associations with the developer and/or builder, or previous owners. The choice of the estimator shall not be restricted to the members of any particular organization.

c. The steps in the selection and employment of cost estimators and the review and evaluation of cost estimates are set forth in Exhibit 9 and shall be followed.

d. The LHA shall stress with each selected cost estimator the importance of each performing his services independently of the other and of the developer and/or builder, and arriving at completely independent conclusions. In no circumstances may a cost estimator be informed by the LHA or HAO of the price at which the developer has proposed to sell the improvements.

9. Negotiation Conference

a. The Negotiation Conference is held in the HAO as soon as the approved cost estimates have been evaluated and considered by the LHA and HAO. Participating will be the developer and his associates, and LHA and HAO staffs.

b. The primary purpose of the Negotiation Conference is to negotiate a price for the improvements which is reasonable in all of the circumstances. The LHA should assure that the public funds involved are used prudently and effectively, and the HAO will participate for the same purpose. Agreement must be reached on a price which, in the best judgment of the LHA and HAO staff in the exercise of their public responsibilities, represents a prudent and supportable expenditure of Federal funds for the product being provided. In no event shall the total price agreed upon, excluding that for land, be greater than the midpoint of the reconciled cost estimates as determined by the HAO.

c. In the event that any changes or modifications are made to the developer's proposal at the Negotiation Conference, no attempt shall be made to negotiate a price if such changes or modifications, to any material extent, affect upward or downward the total price. Instead, the Negotiation Conference should be adjourned until the LHA has submitted the changes and modifications to the two cost estimators and received and evaluated amended estimates on those modifications.
10. Development Program

a. Immediately following agreement at the Negotiation Conference, the IHA shall prepare a Development Program on Form HUD-5080 and submit an original and four copies to the HAO.

b. The Development Program shall reflect with complete accuracy the developer's proposal and price as agreed upon and approved at the Negotiation Conference.

c. The Development Program shall be revised if the developer's price in the Contract of Sale is below the amount shown in the Development Program by more than one percent. The revision shall be prepared in the same form as the Development Program and shall be submitted to the HAO within two weeks of execution of the Contract of Sale. An original and four copies are required.

d. If the original Development Program was prepared on the basis of development by other than the Turnkey method, a new Development Program shall be prepared and approved on Form HUD-5080 prior to execution of a Letter of Intent.

11. Annual Contributions Contract. The HAO will approve the IHA Development Program and send an Annual Contributions Contract list to the Central Office for its approval. The Central Office's approval of the Annual Contributions Contract list shall authorize HUD execution of an Annual Contributions Contract with the IHA and approval of the Letter of Intent (Appendix 10) between the IHA and the developer. The price shown in paragraph 4(a) of the Letter of Intent shall be the price agreed upon at the Negotiation Conference.

12. Letter of Intent to Execution of Contract of Sale

a. Following the HAO approval and IHA issuance of the Letter of Intent, the developer will prepare and submit working drawings and specifications to the IHA. These documents shall definitely and specifically set forth in detail and prescribe the work to be done: the materials, workmanship, finishes, and equipment required for the architectural, structural, mechanical, electrical, and site work. The HAO will advise the IHA as to the number of copies required. With the working drawings and specifications, the developer shall certify as to his compliance with all applicable Federal, State, and local laws, codes, ordinances and regulations, as modified by any waivers obtained from the appropriate jurisdictions. Upon receipt of the IHA-approved working drawings
and specifications, the HAO shall review them, discuss them with the LHA and developer and, if necessary, schedule a meeting at which the LHA, the developer and his associates will be present.

b. Upon approval of the working drawings and specifications, the LHA shall obtain two updated cost estimates, review and evaluate them in the same manner as the first estimates (see Exhibit 9), and submit two copies with the results of its evaluation to the HAO for review and approval.

c. On the basis of their review and evaluation of the approved, updated cost estimates, the LHA and the HAO shall agree on a price to be offered to the developer for inclusion in the Contract of Sale, and shall negotiate that price with the developer. As in the case of the Negotiation Conference, the negotiations must provide for agreement on a price which, in the best judgment of the LHA and HAO staff, in the exercise of their public responsibility, represents a prudent and supportable expenditure of Federal funds. The price agreed upon shall not be greater than the price established at the Negotiation Conference and included in the Letter of Intent, nor shall the price be greater than the midpoint of the reconciled and approved updated cost estimates as determined by the HAO, unless justification for a price above the midpoint is established in writing and approved by the Assistant Regional Administrator for Housing Assistance. If the negotiations fail to reach agreement on an acceptable price, the developer may exercise the options set forth in the Letter of Intent.

d. Upon agreement as to the price to be included in the Contract of Sale, the LHA and HAO shall confer and prepare the Contract of Sale, HUD-53015, (Appendix 12) which is then executed by the developer, the LHA, and HUD.

e. Upon HAO approval of the Contract of Sale, the LHA shall select the architect who is to perform inspection services for the LHA in connection with the project and shall execute a contract with him, (Form HUD-5083), (Appendix 11) which shall, among other items, provide for the matters in paragraph 15 below.

f. When the Contract of Sale is entered into, the LHA shall notify the general public by newspaper advertisement of the award of the Contract of Sale to the named developer, including the price he is to receive and a description of the project (number of units, elderly and nonelderly).
13. Use of Property in Urban Renewal Areas

a. LHAs are encouraged to explore the possibility of using urban renewal project land for a Turnkey site. Under appropriate conditions a Local Public Agency (LPA) may make such land available to a private developer for the development of a low-rent public housing project by the Turnkey method. In such a case, the land purchase price to be paid by the Turnkey developer and included in his price for the completed Turnkey project will be determined on the favorable basis authorized by Section 107(b) of the Housing Act of 1949. The LPA will receive, in such cases, the same special local grant in aid for public housing use of the land that it would be entitled to receive if the land were sold directly to the LHA. The appraisal requirements of this Section are not applicable to urban renewal project land.

b. In an urban renewal area, private property that is not to be acquired by the LPA in carrying out the urban renewal project may also be used for a Turnkey development, but without the benefits of the lower land price and special local grant in aid authorized by Section 107(b).

14. Relocation Responsibility

a. All individuals, families, business concerns, and nonprofit institutions are eligible for relocation assistance and payments if they occupy a Turnkey site on the date of the Annual Contributions Contract and move from the site subsequent to that date (see Handbook RHA 7412.1). The Local Authority is required to include a Demonstration of Adequacy of Relocation Resources and a Relocation Plan in the Development Program. The extent and nature of documentation to be submitted with the Development Program to indicate the basis for determining adequacy of relocation housing is related to the size and apparent difficulty of the relocation workload for the Turnkey site. "Difficulty of relocation workload" is based on the anticipated number of site occupants that will move from the site in relation to (1) concurrent displacement under other government programs in the locality, and (2) the availability of relocation resources for all programs causing displacement in the locality. In making a determination as to the difficulty of the relocation workload the Local Authority shall consult with other agencies in the locality engaged in relocation activities, for example, the urban renewal agency. In addition the Relocation Branch in the Regional Office may be consulted for advice and assistance.
b. The submission requirements will be provided by the HAO.

c. It is of the utmost importance that the LHA inform the Developer of the application of HUD relocation regulations to occupants of Turnkey project sites. This should be done at an early stage so that eligible tenants may be informed that they are entitled to relocation assistance from the Local Authority. To this end, the Local Authority should provide to the Developer a statement to be given eligible tenants. This statement should include the general nature and purpose of the project, identification of the site, listing of the services which will be available, and a caution that those who move before an Annual Contribution Contract is entered into between the Local Authority and HUD will not be entitled to relocation payments.

d. The Local Authority should notify all site occupants as soon as possible after the date of the first contract with the Developer (Letter of Intent or Contract of Sale) as required by RHA 7412.1 occupants living on sites which have been acquired by the Local Authority. Relocation assistance will be provided and relocation payments made as required by RHA 7412.1.

e. Relocation responsibilities, as described in RHA 7412.1 extend to all Turnkey site occupants except on sites which are a part of an urban renewal project, or vacant sites.

15. Construction

a. Site Ownership

The developer must own the site prior to the start of construction. (Under certain conditions, consideration may be given to a lease extending for the duration of the Government's interest.)

b. Architect's Inspections

The LHA shall assure that the inspections of the architect are made in accordance with the terms of the architect's contract (see paragraph 12e above), including adherence to the schedule of inspections stated in the contract, and shall send a copy of the inspection reports to the HAO together with a statement as to actions taken with regard to any report of deficiencies. In addition, in accordance with the Contract of Sale, copies are to be sent to the developer and lender.

c. HAO Services During Project Construction
The HAO will advise and assist the LHA in Turnkey construction activities in their mutual interests as set forth in the Annual Contributions Contract, the Low-Rent Housing Handbook and the Contract of Sale for a Turnkey project. In discharging its obligations under the United States Housing Act, the HAO will observe and review the activities of the LHA and its architect to ensure compliance in administration and in inspection under the pertinent contracts. It will also review construction operations to ensure compliant performance. The HAO representatives will recognize at all times that the contractual relationships are between the LHA, its architect, and the developer.

d. HAO Personnel Related to Construction

The HAO Construction Representative will visit the LHA and the construction site periodically. He is the HAO representative whose purpose is the observation and evaluation of administrative and construction activities. His duties will be compatible with the provisions of the Contract of Sale, the Inspecting Architect's Contract, and other pertinent documents. Comments based upon his reviews will be made only to the LHA or its architect.

e. Change Orders

All change orders for the Turnkey program shall be reviewed by the LHA and HAO bearing in mind that all upward or downward revisions to specifications and/or Turnkey prices must be scrutinized as carefully as was each item of original cost, so that the price previously agreed upon and reflected in the Contract of Sale is not made less supportable and reasonable as a result of changes during construction. Where the LHA or HAO deems it necessary to achieve this objective, one of the cost estimators employed in the original proposal may be hired to review proposed upward or downward changes and make recommendations respecting them. Reductions should receive as careful attention as increases to assure that the proper benefit to the LHA and the Government of a proposed change resulting in a reduction is reflected in the price adjustment.