

# **Top 10 Pitfalls in Developing HDC/HPD Projects**

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**January 11, 2012  
New York, NY**

## **DEVELOPMENT PHASE**

- 1. Advocate early (and often) for your project with HPD & HDC (“get in the queue”)**
- 2. Negotiate the LOIs/ term sheets very carefully**
- 3. Avoid lender/investor guaranty “creep”**
- 4. Consider utilizing 420c (or obtain Article XI) for project savings**
- 5. If commercial space, develop a clear game plan for the condo process (if necessary)**

## **CLOSING PHASE**

- 6. Pay close attention to requirements of community facility (tax exempt use?)**
- 7. Make certain that all funding is in place at construction closing**
- 8. Dissect the Operating Agreement/ LPA**
- 9. If “substantially all the assets”, submit project early to AG/Court**
- 10. Maintain good communication and closing checklist**

## **CONSTRUCTION/PERMANENT CONVERSION PHASE**

- 10a. Lease up, lease up, lease up**
- 10b. Certificate of Completion immediately after TCO**
- 10c. Stay on top of tax exemption applications**