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# Chapter 2: Selecting Construction Projects and Partners

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## Overview

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The type of construction project a Youthbuild program selects can have a significant influence on the type and level of training that the youth will receive in the program. Some projects offer a great variety of training opportunities. Others offer too much repetition of the same activity over and over again with little room for varied experiences.



photo: Martin Dixon

Selecting a partner can also have an impact on the program. Integrating construction training and production is difficult under the best circumstances. The choice in partners can make the difference in whether a project is a viable training project or not. Some partners will be very committed to the goals of the Youthbuild program and will work flexibly with the program to provide the best possible learning opportunity for the young people. Others, while very experienced in housing production, may not be committed to the mission of Youthbuild and may be at odds with the program for the duration of the project.

It is helpful to define the criteria for selecting a project in advance, so that potential projects can be evaluated based on the needs of the program, and so that potential partners can understand those needs before the partnership is finalized. It is important to look for projects and partners that are able to meet the criteria.

## Which Comes First: the Project or the Partner?

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Youthbuild programs decide on projects and partners in many different ways. Some programs have a strong partner, and work with that partner to identify a

project that meets the criteria for a good Youthbuild construction site. Other programs that do not have one established partner identify a project and then look for a developer or general contractor. Some programs talk simultaneously with several potential partners, considering various projects to determine which will best suit the training needs of the program. Then they negotiate their role on the job.

All of these methods can work. The key to successful training is an appropriate project and an effective partnership. Consider all options before making a decision that will ultimately shape the success of the program. A brief checklist of the primary considerations in selecting a housing project and partner is included as Item two of Appendix B.

## **Selecting a Construction Project: Criteria and Types of Projects**

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The following considerations should help the program select projects that make the best training experience for young people:

### **Scope of Work**

Youthbuild programs have consistently found that the ideal project is one in which the trainee can move through all aspects of the construction work during their year of training. For example, the project should include demolition, framing, sheet rocking, stairs, finish work, and exterior work so that trainees will receive the widest possible range of skills. Projects that are too large tend to have trainees doing the same skill over and over again, i.e. all demolition or all framing for most of the year. Consider whether the project will teach those skills which are most transferable to construction jobs available in the community.

### **Project Size**

All projects can “put youth to work,” but some projects are too large or too small to be an ideal training project. As a rule of thumb, keep it small. A well-functioning Youthbuild program with a group of 30 trainees, usually scheduled in two crews of 15 alternating weeks on the worksite, is generally able to complete four to six units of new construction or full gut rehabilitation in a year. At the same time, it is important to have enough work to keep the trainees active throughout the year. There are two key issues to consider in evaluating the size of a project:

1. Can the trainees start and complete this project during their year of training? An ideal project allows the trainees to complete the project within one program cycle, which is usually 10-14 months. This project may be the first time a student has actually started and complet-

ed anything. If the community has the type of projects that can be done within a year, the trainees will have the opportunity to see the results of their work.

2. Can the site accommodate the appropriate number of trainees? On a site that is too small students will get in each other's way which will create safety risks. A site that is too small can also create boredom, which leads to trouble. It is critical that all the trainees on the site stay busy and engaged at all times. Be sure the site is large enough to accommodate the students. Also, keep in mind that it is much more difficult to manage many small, scattered sites than a project that allows students to all work at the same worksite or on several houses on the same block.

### **Location**

There are many issues to consider regarding the location of the project.

- Is the site in an area that is accessible by public transportation or will the program provide transportation for the students?
- Is the site in an area that is relatively safe for students from different parts of the community?
- Is there a place for students to get lunch?
- Are toilets accessible?
- How accessible is the program site to the construction site? How will students on the work site get access to the counseling staff? To the classroom, if needed?
- Where will materials and equipment be stored?

### **Impact, Visibility, and Neighborhood Support**

How will this renovation impact the immediate neighborhood? How much support will be generated from the surrounding neighborhood? Consider support both in terms of moral support, and in a willingness to keep an eye on the site when you are not around. How visible and important is this project to the broader community?

### **Availability**

Will the project be ready and available when Youthbuild plans to start the program? The HUD Youthbuild program requires Youthbuild organizations to have control of the construction site—meaning an agreement with a development partner, ownership of the site, and financing—at the time of the Youthbuild application. This is usually six to eight months before the approval of the HUD application, the execution of the contract, and the beginning of construction. Many programs find that holding a property or developer that long in advance is difficult and that the housing project in their application is no longer available when it is

time for construction to begin. Finding and substituting another project is feasible but time-consuming and can result in delays in the start of the overall program. Therefore, it is important to understand the time schedules involved and to be realistic in selecting a project that will be available on these schedules.

## **Types of Projects**

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There are three major types of residential construction projects that Youthbuild programs can undertake: new construction, substantial (gut) rehabilitation, and moderate rehabilitation.

The chart on the following page compares the advantages and disadvantages of each of these types of projects. Please note: All HUD-funded Youthbuild programs are required by statute to work on projects that create affordable housing. Repairs and alterations would generally not qualify as a HUD Youthbuild project. However, Youthbuild programs find these small-scale projects useful as supplementary projects when the work on the site has slowed down due to subcontracting schedules, bad weather, or other delays. Often these are community service projects for other nonprofit organizations in the community. The importance of supplementary projects is discussed in Part II of the handbook.

### **Single Site vs. Scattered Sites**

It is always easier for management, supervision and logistics to have all the trainees working in close proximity to one another at any given time. Depending upon the housing stock in the community, the program may or may not be able to find one site that provides enough work to keep the crews working all year. Programs have tried to keep all the trainees within one area through a variety of strategies.

- Some programs have been able to work on several single family homes on the same block
- Some programs have found buildings that contain two to four units of housing
- Some programs have taken on a few units within a larger residential construction project
- Some programs with multiple sites have all the trainees work together on one site, and then move to another site when the first site is completed

Some programs have not been able to find enough work in one location, and are forced to have trainees working in more than one location at a given time. If the program is faced with that situation, be sure to think through the following logistical considerations:

## Selecting a Construction Project

Option	Advantages	Disadvantages
<b>New Construction</b>	<ul style="list-style-type: none"> <li>• Provides clean work with no environmental hazards.</li> <li>• Assures no surprises behind walls, which can stall a project.</li> <li>• Provides wide range of learning—all phases of construction can be taught.</li> <li>• Provides experience with production, which may match employment opportunities in your area.</li> <li>• Excellent vocational education tool and learning opportunity due to systematic steps, repetition, and straight forward nature.</li> </ul>	<ul style="list-style-type: none"> <li>• Excavation and foundation must be done by others prior to trainees coming onto site. Excavation and foundations cannot be done in winter in Northern climates.</li> <li>• Until building envelope is up, trainees can only work in good weather.</li> <li>• Availability and cost of sites in urban areas may not be as compelling and fundable as renovating existing housing stock.</li> </ul>
<b>Substantial (gut) Rehabilitation</b>	<ul style="list-style-type: none"> <li>• Provides experience with the type of construction typically found in inner cities where trainees often live.</li> <li>• Provides wide range of learning—all phases of construction can be taught.</li> <li>• Interior demolition/rubbish removal phase at start of project is excellent way to channel unskilled trainee energy.</li> <li>• Provides excellent problem-solving experience.</li> <li>• Can usually start trainees immediately.</li> <li>• Can usually work in all seasons.</li> <li>• Usually readily available at discount price.</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental hazards, such as lead paint and asbestos, must be dealt with prior to trainees entering the site, or through specialized student training.</li> <li>• Interior demolition phase can be dangerous.</li> <li>• Hidden problems can create delays and involve extensive change orders.</li> <li>• Requires higher level of construction management skill to make adjustments for unexpected conditions.</li> <li>• Range of work and skills necessary can be so diverse that it hinders vocational training possibilities.</li> <li>• One step forward, two steps back.</li> </ul>
<b>Moderate rehabilitation</b>	<ul style="list-style-type: none"> <li>• Can achieve a finished product in a shorter time period.</li> <li>• Usually involves a safer site than gut rehabilitation.</li> <li>• If functioning as developer, financing package may be easier to assemble.</li> </ul>	<ul style="list-style-type: none"> <li>• Not all phases of construction can be taught.</li> <li>• Difficult to predict scope of work. Often involves extensive change orders due to field conditions.</li> </ul>
<b>Repairs, alterations and specialty projects</b>	<ul style="list-style-type: none"> <li>• May serve as good “back-up projects” during delays in major construction.</li> <li>• Skills learned can be useful for entrepreneurial training.</li> <li>• Projects can be finished quickly.</li> <li>• Provide useful “community service” for other non-profit organizations.</li> </ul>	<ul style="list-style-type: none"> <li>• Not allowable as primary HUD Youthbuild project.</li> <li>• Higher level of problem-solving skills, requiring high trainer/trainee ratio (1:2)</li> <li>• Tool and material needs may be unpredictable, requiring multiple trips to hardware store and suppliers.</li> </ul>

- How will the program ensure appropriate trainee and staff supervision on each site?
- What kind of transportation is needed to allow the construction manager and others to move back and forth between sites?
- Does the program have enough equipment and tools to run multiple sites simultaneously?
- How will the program keep track of equipment and tools as they are moved from site to site?

### **Vacant vs. Occupied**

Youthbuild programs almost always undertake construction in vacant buildings or on vacant land for their training projects. In fact, HUD-funded Youthbuild programs are required by statute to create new affordable housing that is not already on the market, which implies work on vacant houses or on vacant land. In addition, HUD requires Youthbuild programs to address issues of housing relocation and relocation payments for work on occupied housing. If the program is HUD-funded, the housing project should be a vacant property or new construction on vacant land.

However, many Youthbuild programs have multiple funding sources and may be considering working on occupied housing because of difficulty in securing vacant housing or because they are looking for work that can be done year-round and in bad weather. Consider all other options very carefully before putting trainees to work in occupied housing. Working in occupied housing opens the program to complaints and accusations of theft and damage to personal property. The risk and liability can be a serious challenge.

### **Home Ownership vs. Rental Housing**

Housing projects for home ownership are often undertaken in small numbers. It is possible to construct a single house or several houses simultaneously. Many nonprofit community-based housing organizations that would be suitable partners for a Youthbuild program, including such organizations as Habitat for Humanity, frequently undertake small home ownership projects ranging from one to eight units. Home ownership projects are often a size that is appropriate for Youthbuild, can be completed during the program cycle, and offer a diversity of construction tasks. However, single-family housing projects are often small, and it can be useful to have at least two houses to work on simultaneously. Existing housing stock in some areas includes three-unit multifamily buildings that can also provide home ownership and an opportunity to produce income for the program.

In general, rental housing projects must be larger to be economically feasible. Many rental housing projects for the homeless or for low-income tenants are dependent on financing from low-income housing tax credits or from special grants. These rental projects may take longer to organize and often need to be a

minimum of 25 units to be feasible. Some cities and states have rental housing financing programs that allow for smaller projects of eight to 12 units.

### **Site Inspection**

Before committing Youthbuild to work on a housing site, it is important to conduct an initial inspection to ensure that the site is appropriate for training young people. The site visit is essentially a field double-check by the construction staff of a housing site that has already been identified with the housing partner. It is important that the construction staff evaluate the site since they will be the ones responsible for training and production. What might look appropriate to the program director may present difficulties from a construction point of view. The site inspection will also help the program identify unique conditions or special problems that will need to be considered in planning the budget or the work schedule.

### **Sample Youthbuild Housing Projects**

Youthbuild programs have completed a variety of housing projects. On the following pages are some examples. The following are the types of housing partners most often selected by Youthbuild programs as collaborators on the construction project.

# Youthbuild Programs Develop, Build, and Rehab Housing

*YouthBuild St. Louis, St. Louis, MO*

**YouthBuild St. Louis**, sponsored by Youth, Education and Health in Soulard, acts as owner, developer, and general contractor. At 2014–18 S. 12th St. (*right*) in the Soulard neighborhood of St. Louis, trainees are shown gut-rehabbing a three unit brick row house built in 1882. When the row house was completed, units were purchased by low-income home buyers.

Several blocks away, rehabilitation is complete at 1926 12th St. .



The gut rehab of this 1878 brick building (*left*) produced four rental units and a first floor office space. Because Soulard is a historic area, renovation cannot alter the facades of the buildings. The program must take this requirement into account when planning the rehabilitation of structures in this area.

### *YouthBuild CSC, Lebanon, OR*

Trainees from **YouthBuild CSC** constructed two new homes for the Linn-Benton Housing Authority. Trainees worked on all aspects of the construction except for plumbing, electrical work, and cabinetry. The three bedroom, 1100 square foot homes were sold to low-income buyers in Linn County.

The Youthbuild crew that built one of the houses helped a family move in and presented them with a plaque that says the home was built by YouthBuild CSC.



*Above:* YouthBuild CSC trainees outside of one of the nearly completed homes.

### *YouthBuild Portland, Portland, ME*

Trainees from **Youthbuild Portland** spent nine months renovating a four-unit apartment building at 247 Valley Street in Portland (*right*).

Thirty trainees worked on all phases of construction including: demolition, framing, masonry, finish carpentry, interior work, exterior work, and landscaping.

Now called Unity House, the wood frame apartment building offers housing to low- and very low-income young people who have graduated from a job training program.





**Improved Solutions for Urban Systems (ISUS) YouthBuild**, sponsored an ambitious project to revitalize Frank Street in Dayton, OH. On this residential street, half of the homes were boarded-up rooming houses in need of complete renovation prior to the start of the project.

ISUS purchased 12 of the 24 houses on the street for gut rehab by trainees. The program acted as the developer and general contractor for the homes, which were offered for sale to low-income homebuyers. Most of these large, wood frame homes have three bedrooms and are between 1,800 and 2,000 square feet.

The goal of this project was to stabilize a neighborhood by mixing incomes and focusing housing redevelopment efforts on one street to maximize the impact on the neighborhood. When a number of houses are improved in one area, neighboring homeowners, encouraged by the progress, begin to make improvements to their own properties. Prior to the start of this project, houses on Frank Street were nearly impossible to sell because of their proximity to so many vacant properties in poor condition. Halfway through the project the value of all the houses on the block had increased significantly.

*Above Left:* Homes on Frank Street, awaiting rehab by ISUS YouthBuild trainees.

*Right:* Trainees completing work on one of the Frank Street homes. These homes are intended for low-income homeowners, but have features that would appeal to any buyer. In the kitchen of this home trainees built a vaulted ceiling with a skylight.



### *Arrowhead YouthBuild, Virginia, MN*

**Arrowhead YouthBuild** completely rehabilitated the historic Italian-American Society building in Eveleth, MN (*right*). The three-story brick building, constructed by Italian immigrants who came to Minnesota to take iron mining jobs at the turn of the century, was an important gathering place in the 1920's. By the 1990's, the abandoned, deteriorating structure had become a community eyesore.



Twelve Arrowhead YouthBuild trainees participated in the renovation of the building, which was converted to 12 units of single-room occupancy housing (SRO). Each unit features a full bath and a kitchen. Prior to undertaking the project Arrowhead Economic Opportunity Agency (AEOA) did a market study and street outreach that demonstrated a critical need for the SRO units.

### *YouthBuild Brownsville, Brownsville, TX*

Trainees from **YouthBuild Brownsville** constructed two homes in a new housing development in Brownsville sponsored by the Community Development Corporation of Brownsville, which is also the sponsor of the YouthBuild program.

The 1,533–1,932 square foot homes are brick, with three or four bedrooms, central air conditioning, and a one car garage.

On the houses constructed by YouthBuild Brownsville, trainees did all the work on all phases of construction with the exception of brick and foundations. *Above:* YouthBuild Brownsville trainees at work on one of the homes.



## Project Step-Up YouthBuild, Los Angeles, CA



**Project Step-Up YouthBuild** trainees worked on several homes that are part of a 37-unit project of affordable townhomes in the City of Compton, CA. Trainees built three of the townhomes and were involved in the digging of the foundation and mechanical trenches for all 37 units. Work on the townhomes included the pouring of the foundation slab, laying out lines for plates, framing walls, and doing seismic work (earthquake proofing). Trainees on this project shadowed subcontractors

as they did electrical and plumbing work, getting exposure to those trades.

Mid-construction, the building inspector required additional seismic work on all units in to meet upgraded building codes. Project Step-Up trainees spent four weeks doing seismic work on all 37 units, including retro-fitting some finished units.

## YouthBuild Fairbanks, Fairbanks, AK

**YouthBuild Fairbanks** built two new single family homes intended for low-income families on two lots, side by side. Trainees laid the foundations and worked on all phases of the project including finish work.

The Youthbuild program partnered with Fairbanks Neighborhood Housing Services on the project.

*Right:* Youthbuild trainees and construction staff raise a wall of one of the single family homes.



## YouthBuild Fort Worth, Fort Worth, TX

**YouthBuild Fort Worth** trainees gut rehabbed 621 Parkdale St., Fort Worth. This vacant building contained two apartments and was in terrible shape prior to rehab. Fourteen trainees worked on all aspects of the rehab, including the reconstruction of a section of the building that was completely rotted. Because space in the building had been poorly utilized, it was possible to add an additional apartment, converting the space to a three-unit building. Trainees poured the foundation for the new section, did framing, inside work, painting, and built cabinets.



On a second renovation project (*not shown*) the construction manager had trainees estimate the cost of repairs to the house. They checked the foundation, siding, windows, roof, and interior, then priced materials and estimated how many hours it would take to complete the job. Trainees found the math challenging, but it helped them understand the importance of correctly estimating a job.

*Above:* 621 Parkdale Street completely renovated.

## YouthBuild of West Alabama, Eutaw, AL



Trainees from **YouthBuild of West Alabama** renovated vacant three, four, and five bedroom homes for the Greene County Housing Authority in the Branch Heights neighborhood of Eutaw, Alabama. The Youthbuild trainees did drywall installation, mudding, taping, cabinet installation, electrical work, tiling, and plumbing.

## Selecting a Housing Partner

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Unless the program decides to take on the role of developer, it must find a housing developer with whom to collaborate. Do not assume that just because an organization or company has been in the business of developing housing for a long time that they are good partners for a Youthbuild program.

In selecting a housing developer for collaboration, consider the following issues:

1. What is the organization's reputation and track record in the development of housing? Even longstanding developers go through ups and downs. The Youthbuild program will want to find out about the developer's reputation regarding its ability to deliver on the timelines to which it commits, its commitment to quality, its ability to assemble needed funds, and its follow-through.
2. Will the developer have an appropriate project available on the program's timeline? A developer may want to work with Youthbuild, but may not have a project that will be ready by the time that Youthbuild is ready to start the program. Or it may not be able to wait until the program is up and running to start their project. Be sure to talk in detail about the program's schedule, when the trainee orientation will be completed, and when the program will actually have trainees ready for the work site.
3. Does the developer have a commitment to supporting the training needs of a Youthbuild program? While recognizing the pressures of the development process, it is critical that the partner be flexible and committed to working with the Youthbuild program to resolve the natural tensions between training and production.
4. Is the developer considering this partnership partially because they expect to save money on the job? Housing developers often have a very unrealistic concept of how much money they will save by working with Youthbuild. In fact, the savings are not that great. At best, savings include carpenters' and laborers' labor costs. At worst, delays and waste generated from the training process can offset the savings or even result in a greater total development cost.

It is important to find a housing developer who wants to work with Youthbuild because it is committed to the mission of training young people, not primarily because the developer hopes to save a lot of money. At the same time, it is important to remember that the housing developer cannot afford to pay more for working with Youthbuild than they would have to pay otherwise. The following are the types of housing partners most often selected by Youthbuild programs as collaborators on the construction project.

### ***Nonprofit Agency as Housing Partner***

Some Youthbuild programs are housed within larger nonprofit organizations and public agencies that have a history of developing affordable housing. This built-in partnership does not ensure that the Youthbuild program will have an easier relationship than with an outside entity. Housing development departments within nonprofit organizations or public agencies face the same economic constraints as any other housing developer, and may be no more sympathetic to the Youthbuild program's training needs than anyone else. In fact, additional difficulties can arise if the housing staff of the parent agency does not fully understand and support the training mission of the Youthbuild program, because the Youthbuild program generally is not in a position to choose a different partner from its parent agency. Discuss the issues of training and production with the agency's executive director and housing development department as candidly as possible, sharing with them the information in this handbook. The most critical point is that they need to know the job may take twice as long as it normally would. Reassure them that the quality will be as good or better, it is only the length of time that is the issue.

### ***Community Development Corporations***

Community Development Corporations (CDCs) can be good housing partners for Youthbuild programs. They are community-based, often do rehabilitation and new construction projects on a scale that is ideal for construction training, and they may be more sympathetic to the schedule of a training program that is enrolling neighborhood youth. But not all CDCs are alike. Check the reputation of the organization for quality, timeliness, and commitment to the program's mission.

### ***Habitat for Humanity***

Youthbuild programs have worked successfully with Habitat for Humanity organizations. Here again, every Habitat for Humanity operates as an independent organization. You will need to see if the organization in the community is an appropriate partner. The advantage of working with Habitat is that they provide the building and materials for free. The disadvantage, in some instances, is that they may want to involve other community volunteers, which may be difficult to coordinate with the trainees, or they may want to operate on a schedule that is not appropriate for training.

### ***Housing Authorities***

A few Youthbuild programs are operated out of housing authorities and automatically take on housing authority projects. But some nonprofit Youthbuild programs may also consider a partnership with a housing authority. Housing authorities that may be good partners for a Youthbuild program are those that are able to operate with flexibility and efficiency on development projects. The advantage of a

housing authority partner is that the financing is generally available, and that housing authorities are required by HUD to meet “Section 3” guidelines that give priority to hiring housing authority residents or Youthbuild participants on housing authority projects.

Some housing authorities tend to function as large bureaucratic organizations. In these cases, Youthbuild projects may find themselves bogged down with red tape especially in receiving payments or obtaining approvals or even access to properties. This can slow down or delay projects, creating a lot of “down time” for the trainees and leaving the programs scrambling for backup projects.

### ***For-Profit Developers***

For-profit developers may be interested in partnering with a Youthbuild program, but be sure to assess how much the motivation is anticipated cost-savings vs. a sincere desire to train young people. The pressures of for-profit affordable housing development are substantial and the training goals can easily be overlooked due to the needs of the production schedule of a for-profit company.

### **Establishing a Clear Understanding with the Housing Partner**

To avoid conflict with a housing partner down the line, be sure to have and sign a written agreement that defines the respective rules and responsibilities.

The following items should be included in a written agreement with the housing partner:

1. Scope of work or plans and specifications of work to be done by the Youthbuild program
2. Total compensation, if any
3. A timetable for completion that allows more than enough time to finish the job
4. A statement of who has liability for cost overruns and time delays
5. A statement of who has responsibility for ordering/storing/replacing lost or stolen tools and materials
6. Insurance to be provided by each party (property, liability, and workers compensation)
7. A statement of security provisions
8. A formal procedure for communications between Youthbuild and the General Contractor
9. A statement of which party is responsible for obtaining permits.
10. A payment schedule
11. The warranties provided

A sample memorandum of agreement with a housing partner is included as Item three of Appendix B.

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## **Chapter 2 Items in Appendix B**

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**Item 2 - Checklist for Selecting a Construction Project**

**Item 3 - Memorandum of Agreement With Housing Partner**