Let's Fill It In: Opportunities for Infill Development

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The American Dream is a Promise

Housing Act of 1949 (42 USC §§ 1441–1490r [1994]), stipulates the “realization as soon as feasible of the goal of a decent home and suitable living environment for every American family.”
Average New Home Sales Price

• $377,200 (Census Bureau; Sept 2018)

AFFORDABLE?
Affordable Housing Crisis

• Urban
  • Availability of multi site land
  • Developer interest
  • Scattered lot – oversight nightmare
  • Independent builder can’t find skilled labor

• Suburban
  • Developer interest in affordable
  • Land re-use where manufactured housing communities had been
  • Re-development/preservation of communities with ROC, Coops, and non-profit ownership
  • Investor interest
  • capital
Home Ownership Rates

64.4% is the one of the lowest in the last 25 years (1984), and in 2016 we hit ownership rates of 62.9%, the lowest since 1965, over 53 years ago.
Urban Infill Housing Opportunities

The Brookings Institute reports* that in 70 cities surveyed, up to 15% vacant land exists, with an average of 2.63 abandoned structures per 1,000 inhabitants. Empty lots in a community:
• Attract crime, blight and vagrancy.
• Generate little or no tax revenue for a municipality.
• Reduce the vibrancy of neighborhoods.
• Impact the value of surrounding homes.

Factory-built homes provide an innovative solution for communities looking to have sustainable, affordable housing opportunities.

Community/Neighborhood Impact

- No or low tax revenue generation
- Attracts crime
- Attracts blight
- Negatively impacts the value of surrounding homes
Progressive Municipalities Embracing Factory Built

• Urban infill
• Scattered lots
• MH community re-development
  • Repair
  • Replacement
  • Infill
Factory Built Advantages

Factory-built homes offer significant time and cost savings:

• Materials purchased in bulk.
• Controlled construction environment.
  ◦ No weather delays.
• Constructed by skilled tradespeople.
• Rapid completion of home on-site.
• Each home independently verified by third party.
Commitment to Green, Energy-Efficient Housing

ENERGY STAR-rated homes significantly reduce monthly utility costs for homeowners:

- ENERGY STAR Low E Windows
  - Programmable thermostats
  - Mastic sealing throughout
  - High efficiency heating/cooling equipment
- Low flow shower heads, faucets
- Low VOC Paint
- Floor coverings using recycled materials
- Compact fluorescent light bulbs
- Less material theft and waste
La Grange, Texas

Next Step partnership with BCL of Texas and the City of LaGrange, Texas.

• Working to provide infill housing in rural communities for moderate-income home buyers.

• Three-bedroom, two-bath modular homes – built by Clayton Homes – priced from $149,000 to $165,000, including the lot.

• Two homes placed – more in the pipeline.
Tampa Bay, Florida
New Orleans, Louisiana (Lower 9th Ward)
Grayson, Kentucky
Cincinnati, Ohio
Phoenix, Arizona
Knoxville, Tennessee
Gulf Port, Mississippi
Jen Hopkins, Director of Single-Family Housing
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Opportunity is our mission.
127 resident-owned communities
300 Infill Opportunities
Rock Rimmon Cooperative
Veterans FIRST
Skyline Home
Infill Home Financing Tools

- One-closing Construction Financing
- Federal Home Loan Bank AHP
- Down Payment Assistance
- Revolving Line of Credit
“I can be a respectable part of a community … I’m not a second-class citizen.”

Dawn & Gary T., Breezy Acres Cooperative, Epsom
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Transforming Scattered, Vacant Lots Into Affordable Homeownership Opportunities Using Factory-Built Housing
The Inland Empire

- Two county region with a population over 4.58 million people
- Comprised of suburbs and old downtowns
- Desert and country elements
- The 1995 housing boom converted dairies and agricultural areas into suburbs
- Median home price is $350,000 compared to the state median of $600,000
- Median household income $56,600 compared to the state median $68,000
Challenge: With the cost of residential construction skyrocketing, how can we make scattered infill developments sustainable and scalable to create more green, affordable homes?
Opportunity: The Inland Empire has thousands of scattered vacant lots, in most cases blighted, that can be redeveloped into homeownership opportunities for low and moderate income families.
Scattered Site Infill Opportunity
Villa del Sol Modular Development: Building a Track Record
Manufactured Housing Campaign

- Identify product: 3/2 homes with attached porch and garage 1,400 – 1,500 square feet
- Establish relationships with manufacturers and retailers and negotiate pricing
- Educate local government, housing agencies and elected officials on the benefits of manufactured housing
- Create relationship with municipal housing agencies
- Identify and structure financing
- Select qualified contractors to develop onsite improvements
- Create marketing and educational materials
- Partnership with Next Step
City of San Bernardino Infill Development Partnership

- City of San Bernardino has over 150 vacant lots
- NPHS received a CHDO grant to develop 3 homes for phase 1
- Homes for families at 80% of the AMI
- City providing 20% of purchase price in DPA
- Purchase price from $240,000 - $270,000
Single-Family Infill Cost Comparison

Onsite Construction
► Total development cost including all onsite improvements: $390,000
► Cost per square foot: $271

Factory-Built Home
► Total development cost including all onsite improvements: $298,000
► Cost per square foot $207
► 23.5% less to develop
Lessons Learned

- Appraisals
- Identifying lender and first-mortgage financing product
- Understanding HOME financing
- Working in weak real estate markets and distressed neighborhoods
- Local government financing and approval process
- Construction cost increases
- Manufactured home misconceptions
Manufactured Housing Opportunities

City of Riverside
Homeless Housing Proposal

County of Riverside
Homeownership Proposal
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THANK YOU!

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