Indiana Housing & Community Development Authority
Modular Workforce Housing Pilot Program
Webinar

May 13, 2019
CONTACT INFO & RFQ

This webinar is meant to provide a brief overview of IHCDA's Modular Workforce Housing Pilot Program. All respondents must read and follow the policies and guidelines set forth in IHCDA's Modular Workforce Housing Pilot Program Request for Qualifications (RFQ).

This webinar will be emailed to all registered participants upon completion. Please mute your phones. Questions may be typed into the question box and will be answered at the end of the presentation.

IHCDA Contact
• Chris Nevels – HOME & CDBG Manager
  • cnevels@ihcda.in.gov
  • Primary contact for general program questions and for RFQ submission

Indiana Manufactured Housing Association
• Ron Breymier – Executive Director
  • ron@imharvic.org
  • Primary contact for information regarding modular housing manufacturers and dealers

RFQ
• The RFQ can be found on IHCDA's website here.

Interactive Map
• The interactive BEP map can be found here.
• A tutorial on how to use the map can be found here.
INDIANA'S WORKFORCE HOUSING CHALLENGE

• Indiana is facing a lack of affordable entry-level housing in many communities across the state.

• Indiana’s unemployment rate remains below the national average.
  • According to the Bureau of Labor Statistics, the January national unemployment rate was 4.0%, while the Indiana rate was 3.5%.
  • Many communities have more open positions than people to fill them, and most do not have sufficient available housing to attract new residents.

• Existing housing inventory has continued to decline, driving home prices up.
  • The month’s supply of homes for sale has fallen by 13.2% over the last year to a current level of 3.1%.
  • The average sales price of a home in Indiana in January was $179,638 in January. This is an increase of 4.6% over the same period in 2018.

• Stick-built home building has not returned to pre-2007 levels, and costs have risen with a tighter employment market.
  • 854 single unit building permits were issued in January 2019. In January 2004, 1,718 single unit permits were issued.

• Many of the stick-built homes that are being constructed are out of the price range of the entry-level home buyer.
BLIGHT ELIMINATION PROGRAM

• The U.S Department of the Treasury approved the use of $75 million dollars in Hardest Hit Funds for elimination of vacant & abandoned homes.

• Municipalities or government entities applied to the Blight Elimination Program.

• Entities such as non-profits, CDCs, land banks, and EDCs partnered with municipalities. These Program Partners were required to hold title to all lots prior to demolition.

• Over 2,700 demolitions of vacant and abandoned homes have been completed.

• Many Program Partners still hold title to lots that have been demolished but on which no additional development has occurred.
MODULAR HOUSING

• Modular Housing is a construction process in which homes are constructed off-site and then transported to a project location where they are then assembled and installed.

• There are many benefits to Modular Housing:
  • 30% - 50% shorter construction schedule
  • Utilizing the same off-site construction process for multiple homes decreases costs
  • Less impacted by weather delays and the difficulty of finding skilled laborers
MODULAR WORKFORCE HOUSING PILOT PROGRAM

• IHCDA proposes to incentivize partnerships between not-for-profit organizations, local units of government, and modular housing manufacturers and dealers.

• Through this partnership, preexisting BEP lots will be utilized for the construction of single family modular homes.

• These homes will be marketed and sold to homeowners at or below 140% of the Area Median Income ("AMI").

• Participating not-for-profits will be able to retain the proceeds from these home sales to be used for the construction of additional single family affordable housing.
MODULAR WORKFORCE HOUSING PILOT PROGRAM SUMMARY
PROGRAM SUMMARY

- Eligible Applicants: Not-for-Profits
- Number of Applicants Selected: Two or Fewer
- Funding Available: $1,000,000 (Up to $500,000 per selected respondent)
- Eligible Homeowners: 140% AMI or less

Team Requirements:
- Not-for-Profit applicant
- Representative of the local unit of government or BEP partner
- Representative from an Indiana-based modular housing dealer or licensed installer
- Licensed realtor or individual with extensive experience and knowledge of the region's real estate market
- Any member of the team that is not an employee of the applicant must submit a letter of support from his or her employer in which the employer commits to supporting the Program until the respondent has expended the initial award in its entirety.
## ELIGIBLE TARGET AREAS

Respondents will be limited to proposals that anticipate constructing modular homes in one or more of the following communities:

<table>
<thead>
<tr>
<th>Eligible Target Areas</th>
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<tbody>
<tr>
<td>Alexandria – Madison County</td>
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<tr>
<td>Anderson – Madison County</td>
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<tr>
<td>Austin – Scott County</td>
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<td>Bicknell – Knox County</td>
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<td>Boonville – Warrick County</td>
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<tr>
<td>Brazil – Clay County</td>
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<tr>
<td>Columbus – Bartholomew County</td>
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<tr>
<td>Connersville – Fayette County</td>
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<td>Decker – Knox County</td>
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</table>
IHCDA created an interactive map tool for applicants to use in selecting project locations. Applicants can use the map to identify BEP lots in the eligible target areas listed earlier. The BEP information listed on the map includes the following:

- BEP Lot Locations
- BEP End Use (e.g. green space, side yard, habitat build, etc.)
- Parcel Number
- Recipient

The map also contains non-BEP data, including:

- Top 10 Major Employers by County
- Opportunity Zones
- Qualified Census Tracts
- Vitality & Economic Indicators

The map can be found [here](#). A map tutorial can be found [here](#).

Please note: Applicants will still need to independently confirm the availability of lots represented on the Workforce Housing Map. IHCDA has made every effort to ensure the data on the map is current but it is possible that some lots currently displayed as unused have actually been developed since being initially cleared.
MODULAR HOUSING DEALERS

• Applicants are required to have at least one representative of an Indiana-based modular housing dealer or licensed installer on their team.

• Applicants wishing to obtain more info regarding modular housing manufacturers and dealers in their area may contact Ron Breymier, Executive Director of the Indiana Manufactured Housing Association, at ron@imharvic.org. Mr. Breymier can provide guidance and contact info for modular housing manufacturers and dealers across the state.
REVOLVING HOUSING FUND

• Upon sale, the selected respondents will be expected to retain and utilize proceeds to establish a Revolving Housing Fund ("RHF"). This fund will operate to develop additional single family homes. These homes must be targeted to homeowners earning 140% or less of the AMI.

• Additional single family homes constructed as part of the RHF are not required to be modular homes, built on BEP lots, or limited to the eligible target areas listed earlier.
THRESHOLD & SCORING REQUIREMENTS
UNDERWRITING

- Funds budgeted for developer's fee cannot exceed 15% of the total amount awarded.

- Administration costs are not an eligible use of funds.

- There is no match requirement but the leveraging of other resources will be taken into consideration when selecting respondents. This includes the donation of land and waiving of fees by local units of government.

- All IHCDA homebuyer underwriting requirements must be met.
THRESHOLD REQUIREMENTS

ALL respondents must submit the following with their RFQ response:

- Narratives
  - Experience & Capability
  - Readiness
    - Including program timeline with anticipated start and end dates
- Overall Program Design
  - Must include the number of staff and team members involved in the project, a tentative budget, estimated number of homes, estimated per home construction cost, anticipated soft costs, and potential price points
- Revolving Housing Fund Design
  - Should include how the RHF will be designed, how the respondent would continue to identify single family home lots, and how the respondent would continue to market and promote the program.
- Housing Counseling
  - Housing counseling must be provided to purchasers. Narrative should include the respondent's proposed homeowner selection and marketing plan, plans for improvement and client feedback, and any prior experience in providing housing counseling.
- Evidence of Site Control (purchase agreement, option, or recorded deed)
- Team Member Resumes
- Financial Statements and YTD Balance Sheets
- Formal Housing Study OR a Narrative Describing the Area's Market Need
- Letters of Support From Team Members
EVALUATION FACTORS

• Narratives
• Prior IHCDA Performance
  • History of complying with IHCDA and/or federal guidelines
  • Meeting IHCDA benchmarks
  • Quality of work performed and services provided
  • Timeliness of expenditures on previous and current IHCDA awards
• Ability to comply with post-construction data collection, including, but not limited to:
  • Data regarding construction time and cost
  • Metrics related to the selling of each home
  • Impact the program has on the surrounding community
• Demographic and Economic Criteria (Data available on map tool):
  • Unemployment rate
  • Job growth rate
  • Median age of owner-occupied structures
  • Commuting data
  • Etc.
SELECTED RESPONDENTS

**ONLY** selected respondents will be required to provide the following:

- A completed IHCDA homebuyer application that satisfies all threshold and underwriting requirements
- A list of potential homebuyers
  - Selected respondents do not have to identify the specific person that will be buying the home at the time of application or at the time of selection. They only need to provide a list of potential homebuyers that have been identified. No information on potential homebuyers must be submitted at the time of application.
  - The only point at which the specific homebuyer must be identified is when they are preparing to move into the completed home. At that point, the homebuyer must certify that he or she is at or below 140% of the county AMI.
# TIMELINE

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>April 29, 2019</td>
<td>RFQ Released</td>
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<tr>
<td>June 24, 2019</td>
<td>Responses Due by 5:00pm Eastern Time</td>
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<tr>
<td>June 25, 2019 – July 9, 2019</td>
<td>IHCDA Workforce Housing Committee Reviews Responses</td>
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<tr>
<td>July 15, 2019 – July 19, 2019</td>
<td>Final Interviews/Presentations</td>
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<td>July 22, 2019</td>
<td>Final Selections Made</td>
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Indiana Housing & Community Development Authority
QUESTIONS?