Innovations in Offsite Affordable Housing Production

Vederra
MODULAR

CEO of Vederra

DOLA

Executive Deputy Director

chfa

Manager of Business Finance

NATE
PETERSON

- 20 years in Modular Housing
- 5 Years –Affordable Housing
- 1 Year Manufacturing

Education
Mechanical Engineer
Colorado School of Mines
MBA
Wharton - UPenn

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Rocky Mountain Home Builders

COLORADO MODULAR
HOMES

2005 - 2026

Over 400+ Modular Projects in CO

Vederra
MODULAR

What is "Modular"

Manufactured Homes

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Modular Homes

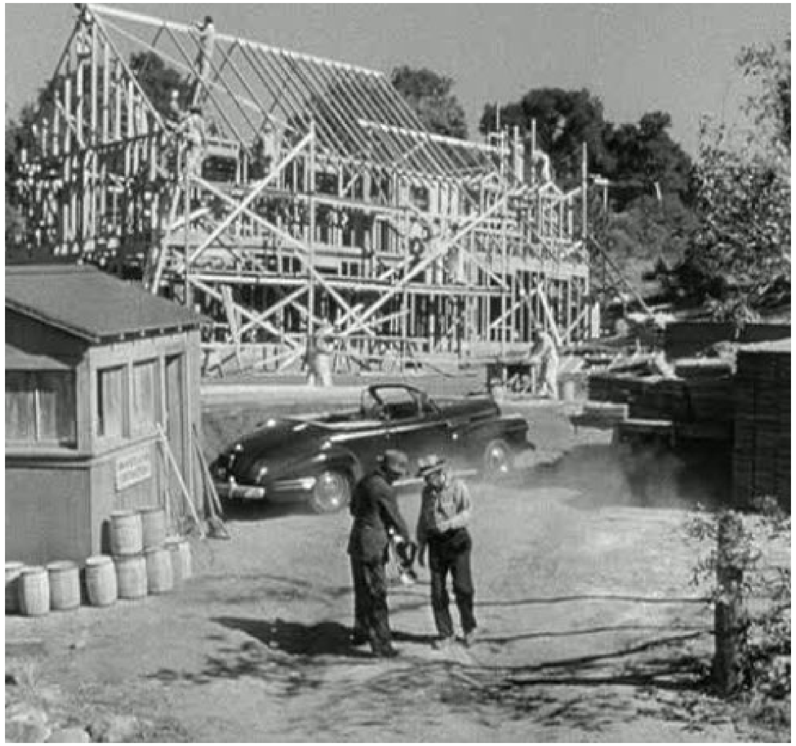
ICC
INTERNATIONAL CODE COUNCIL®

Vederra
MODULAR

Analogy

Vederra
MODULAR

1925



2025

USA vs INTERNAIONAL MARKET SHARE

4%
USA
Market Share

Finland
45%

Sweden
35%

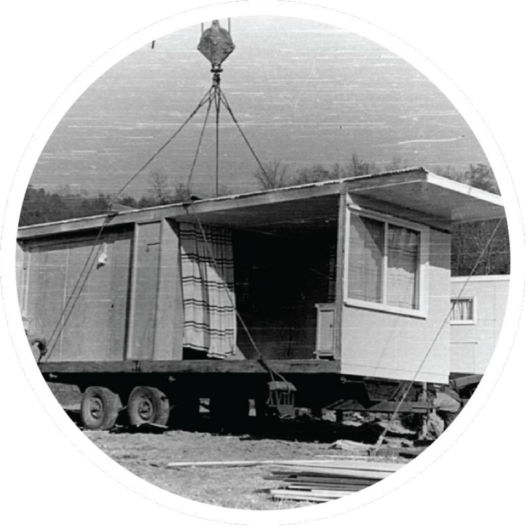
Japan
15%

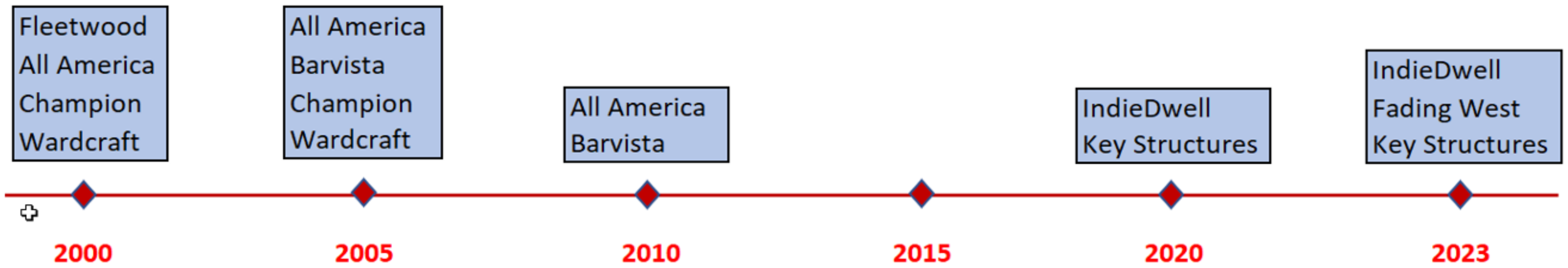
NATIONAL vs COLORADO MARKET SHARE

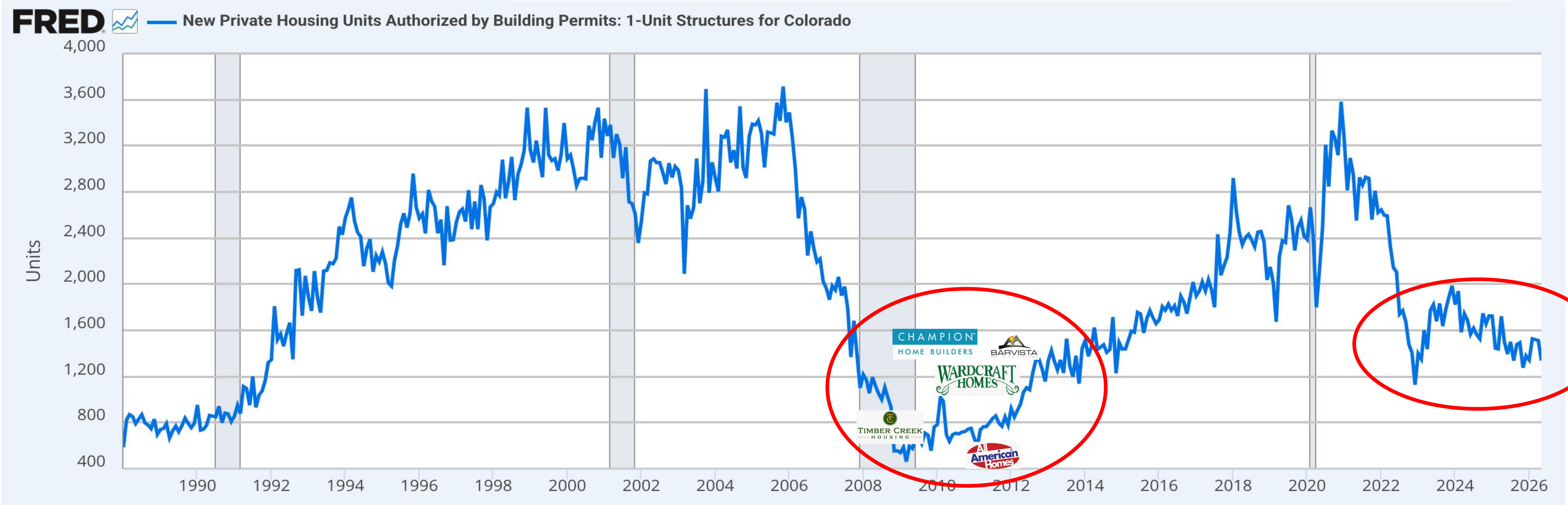
4%
National Modular Market Share

717 Modular Housing Units ÷ **2022 Colorado built 48,082 Housing Units** = **1.5%**
Colorado Modular Market Share

COLORADO'S MODULAR HOUSING HISTORY







DOH - TAC

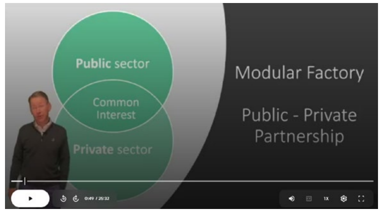
14 Years

COLORADO
Department of Local Affairs

2005

2021

IHIP
Per Unit
Incentive
Plan
10M



COLORADO
Office of Economic Development
& International Trade

IHIP
Per Unit
Incentive Plan &
Revolving Debt
40M

2021

HB22-1282

Colorado Modular Housing

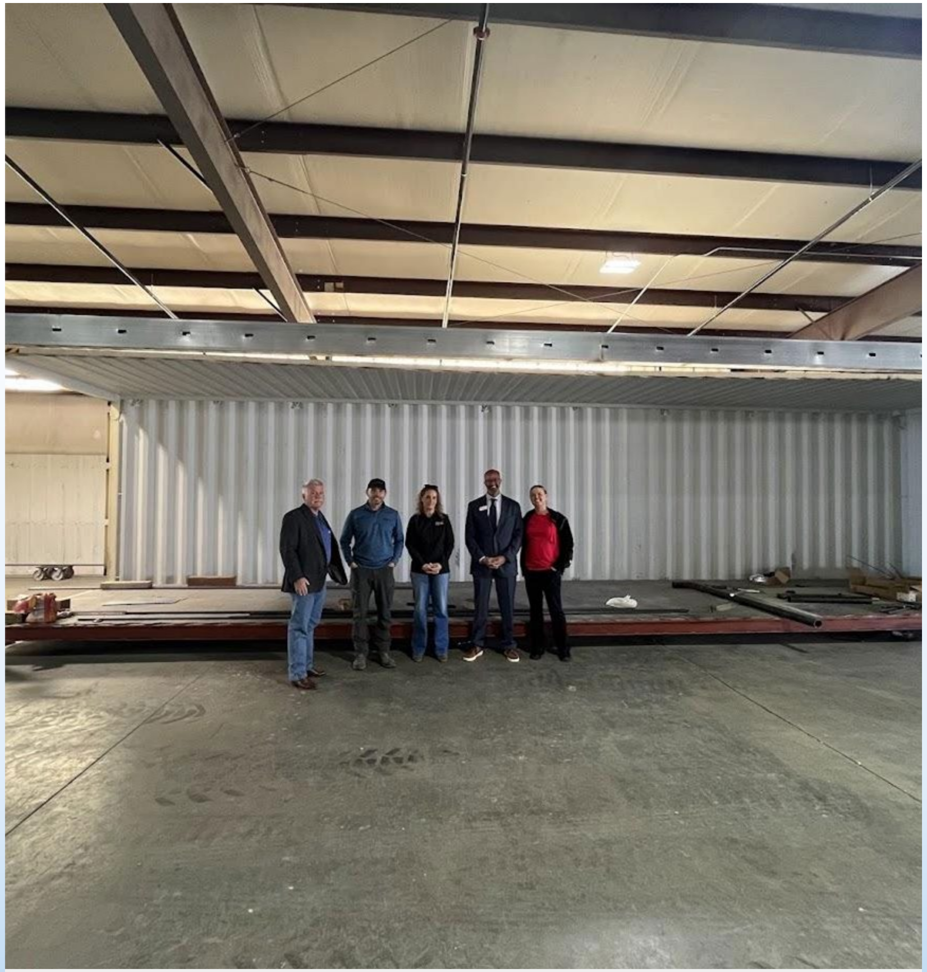
History of State Involvement

Mo Miskell
Deputy Executive Director, DOLA

July 15, 2026

COLORADO
Department of Local Affairs

History of State Involvement



DOLA touring EcoMod (Hudson, April 2026)

Agenda

- Areas of Opportunity
- Key Legislation
- Federal Opportunity

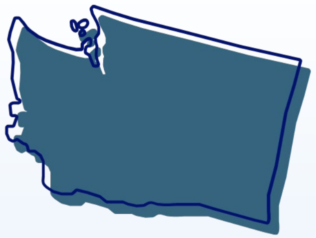
Areas of Opportunity

Regulatory Landscape

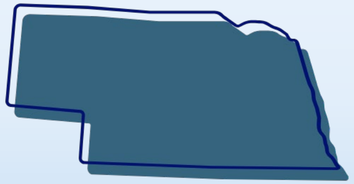
- State-wide regulatory program under DOLA
  - Both residential and nonresidential
- CO is one of 38 states with a program
  - New: Utah and Wisconsin
    - Maryland, Ohio, and Washington are similar to our previous landscape
      - Local jurisdictions may impose certain requirements
- Kansas, Maine, and Nebraska are residential only

Regulatory Landscape (cont.)

Jurisdictional partnerships on in-plant inspections



Washington



Nebraska

Requires inspection of residential structures built in their state

Areas of Opportunity

What is Needed to Improve Modular Capacity

- Requiring structures destined for other states to comply with our requirements
- Convoluted state statutes over off-site construction
- Tiny homes left to local governments to figure out
- Dedicated funding to expand modular capacity
- Model energy code requirements
- 2022 ballot initiative for dedicated funding for affordable housing
- Fragmented regulation between state and locals, and state agencies

Key Legislation Passed to Address Gaps

Key Legislation

HB 19-1238:

Clarification of Manufactured Housing Standards

- Removed us from inspecting and certifying units shipped to other states
- Manufacturers in Colorado were no longer at a competitive disadvantage

HB 21-1019

Modification to Regulations of Factory-built Structures

- Clarified that a local government may only enact requirements related to geographic or climatic conditions for modular homes and cannot do so for manufactured homes
- Removed uncertainty about locals imposing energy code requirements or attempting to supercede federal construction standards

HB 22-1242

Regulate Tiny Homes Manufacture, Sale and Install

- Established a path towards statewide certification for tiny homes constructed for full-time occupancy
- Accepted by local jurisdictions or no longer limited to short-term occupancy requirements

Key Legislation (cont.)

HB 22-1282

Innovative Housing Incentive Program (IHIP)

- $40 million fund through OEDIT, administered by CHFA:
  - Grants for operating expenses and incentives for units manufactured based on criteria established by the office such as affordability, installation location, or meeting energy efficiency standards
  - Loans that fund a new housing manufacturing factory or the expansion of an existing housing manufacturing factory

HB 22-1362

Building Greenhouse Gas Emissions

- Reduction of building greenhouse gas emissions through the adoption of a model electric and solar ready code & model low energy and carbon code
- Reinforced that these requirements are to be applied for modular through DOLA's state-wide program

Key Legislation - Proposition 123

$300+ million (approx.) for affordable housing annually

60% to OEDIT, administered by CHFA

- Concessionary Debt Program
  - **Includes modular construction funding**
- Equity Program
- Land Banking Program

40% to DOLA

- Homeownership Program
- Homelessness Program
- Local Planning Capacity Program

Key Legislation - SB 25-002

Senate Bill 25-002: Regional Building Codes

- Clarified all modular construction requirements are through the statewide program under DOLA
- Established framework for regional design criteria to address unique geographic and climatic conditions
- On and after July 1, 2026, manufacturers may simultaneously produce units destined for multiple locations in one region or zone rather than having each unit manufactured specifically for a unique address

Federal Opportunity

Federal Opportunity

21st Century ROAD to Housing Act

Effective July 10, 2026

- Reduces regulatory barriers and expands financing options for off-site built housing
- Modular Housing Production Act (Sec. 302):
  - Instructs the FHA to assess and eliminate barriers to FHA-insured lending for modular housing developers.
  - Directs the HUD Secretary to consider updating the financing draw schedule to better align with off-site manufacturing timelines, making it easier to finance the construction phase.

Questions?

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DOLA LinkedIn

DOLA Facebook

COLORADO
Department of Local Affairs

COLORADO
Department of Local Affairs

Thank You!

Innovative Housing Factory Financing Programs

NCSHA July 15, 2025

colorado housing and finance authority

IHIP Background

- IHIP (Innovative Housing Incentive Program) established by House Bill 22-1282
  - **Provided $20M in loan funds and $20M in grant funds in 2023**
    - For new innovative housing factories in Colorado
    - Emphasis/priority on affordable units
  - $20M OEDIT IHIP Grant program (administered by OEDIT)
    - Reimbursements for working capital on a per unit basis
    - $10.7M disbursed to date
    - 2,708 units since 2023

Prop 123 background

- Prop 123 Modular Finance – Concessionary Debt
  - Provided another **$18M for both new and existing factories (working capital)**
  - CHFA administers both programs for Office Economic Development and International Trade (OEDIT)
  - Launched at the end of 2023

Modular Financing Factory Loan Program

- Combined both loan programs into CHFA's Modular Factory Financing loan program
- total of $38M across both programs in 23/24
- RFP for application structure
- $12.5M in 2025

Loan terms / structure

- Loans up to $10M (IHIP) and $5M (Prop 123)
- Below market interest rates (1.5% and 1.75%)
- Favorable/flexible loan terms, amortization, I/O structure, lien position
- No personal guarantee required – still have corporate guarantee and collateral
- Installment loans
- Lines of credit
- Construction financing
- Cash Collateral Support to leverage third-party lender loans
- Updated to support factory bonding capacity in the 2025 round

Eligible factories

- New and existing innovative housing factories
- End unit must have a permanent foundation
- Volumetric modular
- Panelized
- Tiny homes/ADUs – (shipping containers)
- Kit homes
- 3D printed homes
- Mobile pop-up factories

factories funded

- **A total of 9 innovative factories were awarded combined across both rounds for $50.5M**
- 7 factories total (5 new and 2 existing) in 2023/2024
  - IHIP – 3
  - Prop 123 – 6 (two factories Vederra and Huron Components received IHIP and Prop 123)
  - Utilized modular industry consultants to advise in the award process for round 1
- 4 factories in 2025 (2 new factories and 2 factories from the 23/24 round received additional funding)

Factory distribution

- Denver Metro - 5
- Southwest (Mancos) - 1
- Central Mountains (Buena Vista) - 1
- Southern Colorado (Florence and Pueblo) - 2

Post 2023 implementation

- Updated Concessionary Debt Guidelines to spur demand from developers
- Set aside funds and prioritized projects utilizing modular manufacturers across Concessionary Debt and Land Banking
- Updated use in the 2025 Modular round to support factory bonding capacity
- Allowed for up to 50% of MF Concessionary Debt funds to be utilized for factory deposits for awarded MF projects
- QAP now allows for additional points for modular/innovative construction
- $200M in applications versus $0 4 years ago

Program results to date

- Closed 8 of 9 approved factories projects to date
- 5 factories are now operational as of June 2026
  - 3 recently closed in May/June 2026
- 642 total jobs
- 336 affordable units
- 16 market rate units
- Estimate: 7,950 units total units per year (2,450 volumetric units) once all factories reach capacity
- **True measurement will come over the next 3-5 years as factories reach capacity and Prop 123 Land Banking and Concessionary Debt developments start**

thank you!