

ANNUAL
CONFERENCE
& SHOWCASE
OCTOBER 27 - 29

VIRTUAL
2020

Increasing Mortgage Production

How Minnesota Housing Broke a Billion for the First Time -- in a Pandemic

General

1. Staffing
2. Staff Structure: Program Management, Partner Solutions, Business Development, Training
3. Practice Continuous Improvement
 - Annual analysis and change
 - Tax Reform and TRID - retired 3 MRB forms
- Deep Long-Term Lender relationships create trust in staff and programs
- Options for scratch and dent loans
- Continued to offer Conventional over 80% AMI
- Borrower Performance

During COVID

- Remained Open and Promoted: We are Open and Have Funds
- Created Seller Comfort Letter
- Flexibility with temporary COVID Income and COVID Income Calc worksheet – increasing, decreasing, CARES
- Retired 3 Forms to Reduce Delays and Lender Risk
- Maintained Service Levels
- Offered to Cover LLPAs or Use Whole Loan Portfolio Option

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**Virginia Housing:
Affordable Alternative –
Advancing the Next Generation of
Manufactured Housing**

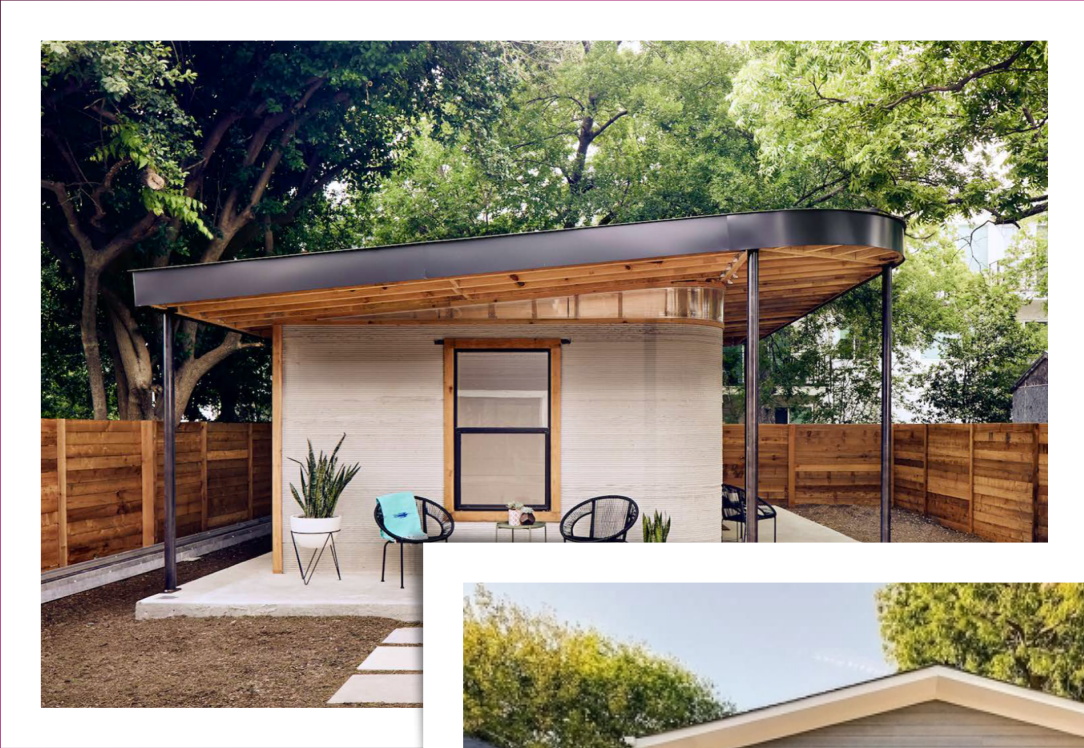




Housing Options



Housing Options



Innovative Housing

Partnerships



“ “ These factory-built homes are great starter homes for families, for people who would want to have a yard for the kids to go out and play. The idea is that if we can do affordable housing at a higher standard, not only do we help someone get a new home, they get a new home that is energy efficient and lasts as long as a traditionally built home. ” ”

Gary Wasson, CEO of Danville Redevelopment & Housing Authority

Manufactured Housing In The United States

General Profile

22 million

people live in manufactured homes

10% of new single-family home starts

\$71,900 average new home sales price

76% of new manufactured homes titled as personal property (chattel)

Resident Satisfaction

90% of people are satisfied with their homes

71% of residents cite affordability as a key driver for choosing manufactured housing

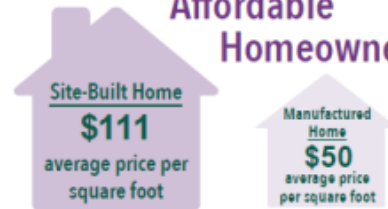
62% of all residents anticipate living in their homes for more than 10 years

38% don't anticipate ever selling their home

Made In America



Affordable Homeownership



Manufactured Home Communities

- Almost 40,000 land-lease communities
- 4.2 million estimated home sites
- 32% of new homes are placed in communities
- Average annual site rent increase of 3%

Sources: U.S. Census Bureau, industry analysis, MHI 2018 Consumer Research



VIRGINIA



Manufactured Homes by District

Countyprecinctal District	Total Occupied Housing Units	Number of Manufactured Homes (MH)	MH as % of Occupied Housing Units
Accomack	277,339	13,593	4.9%
Albemarle	276,562	7,367	2.7%
Allegany	281,229	9,057	3.2%
Amherst	281,332	10,188	3.6%
Arling	285,558	47,290	16.6%
Augusta	291,926	18,211	6.2%
Bath	286,232	10,191	3.6%
Bedford	316,395	1,536	0.5%
Berkeley	278,407	59,063	21.2%
Bland	277,931	4,236	1.5%
Blenheim	267,969	1,177	0.4%
State Total	3,120,880	181,909	5.8%
Countyprecinct Total	120,062,818	8,500,432	7.1%



2 Manufacturing Plants

Average Sales Price of a New Manufactured Home

	Overall*	Single Section*	Multi-Section*	New Site-Built*
State Total	\$68,700	\$45,700	\$87,100	
Countyprecinct Total	\$71,900	\$48,300	\$92,800	\$293,727

Sources: U.S. Census Bureau, 2013-2017 American Community Survey 1-Year Estimates

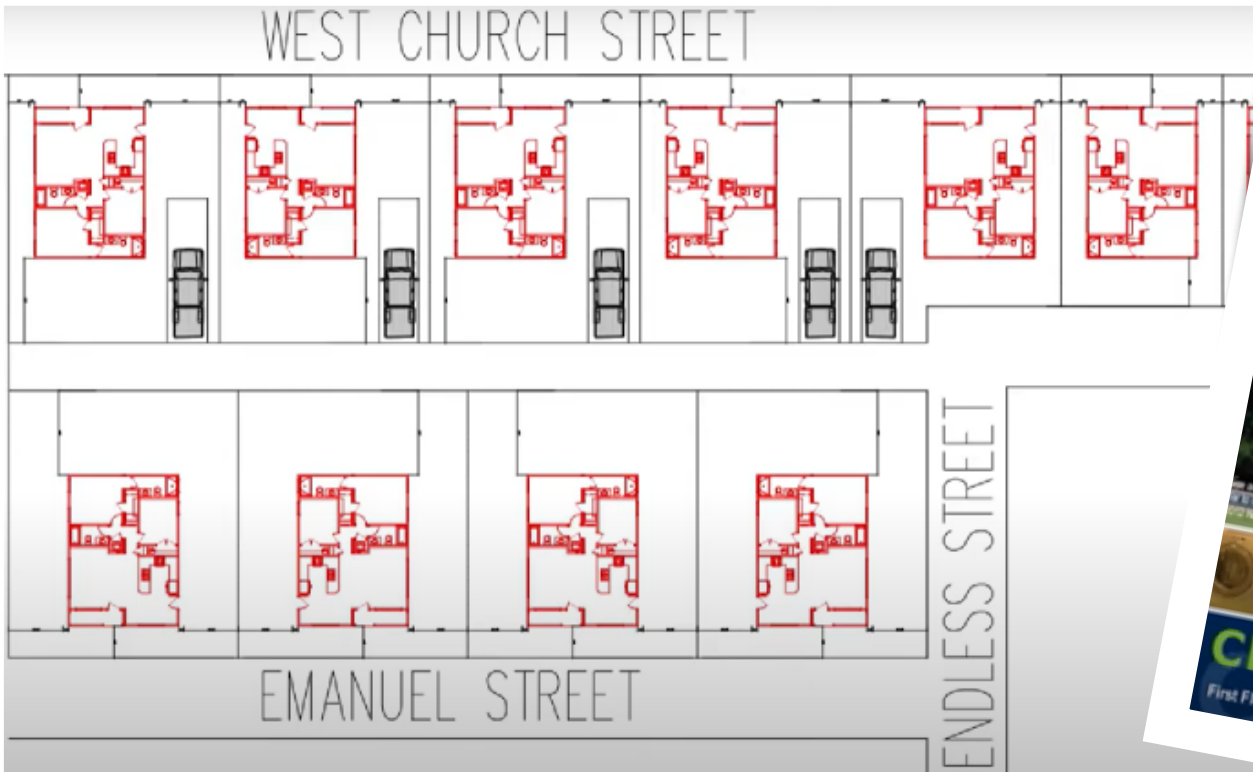
\$145K







What is next?



Thank you



Common *Wealth Builder* Program

*A new Homeownership Production Program
administered by MassHousing through
its Workforce Housing Program*





THE CHALLENGE

- Massachusetts is growing and prosperous, and there is strong demand for new housing across the state. The state has struggled for years to meet this demand.
- An inability to house its workforce threatens the state's economic vitality.
- While Massachusetts is a national leader in supporting the production of affordable and workforce rental housing, it has lacked a substantial program for expanding affordable homeownership.
- The market is not producing new for-sale homes that are attainable for moderate- and middle-income households.

THE CHALLENGE

- The disparity in homeownership rates between white households and households of color in Massachusetts is among the nation's largest.
- 69% of white households own a home while only 35% of households of color own a home.
- There is strong demand in communities of color for high-quality homes to purchase, but market forces have failed to produce these opportunities, and this market failure reinforces the state's racial homeownership gap.
- MassHousing's Commonwealth Builder Program will grow homeownership opportunities for households of moderate means, while supporting vibrant communities, a strong economy, and a stable workforce.

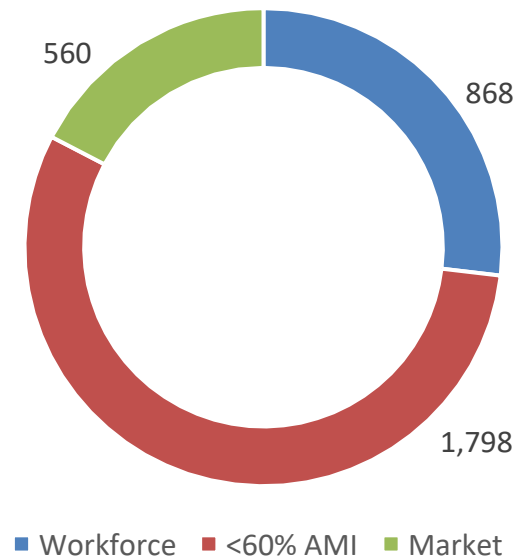
COMMONWEALTH BUILDER PROGRAM



- To meet this challenge, in July of 2019 Governor Baker announced \$86 million in new funding to expand MassHousing's existing Workforce Housing Initiative.
- This included \$60 million targeted specifically to the production of new affordable homeownership units.

WORKFORCE HOUSING INITIATIVE

Since 2016 the Workforce Housing Initiative has created a total of 4,360 new rental housing units, 1,120 of which are workforce-affordable.



- MassHousing has been a leader in the production of workforce rental housing affordable to moderate- and middle-income families. Its Workforce Housing Program has successfully engaged the development community to fill a market gap and create new rental homes at a missing middle price point.
- The new \$60 million Commonwealth Builder Program will utilize the same strategy to create workforce homeownership opportunities.

COMMONWEALTH BUILDER PROGRAM OBJECTIVES

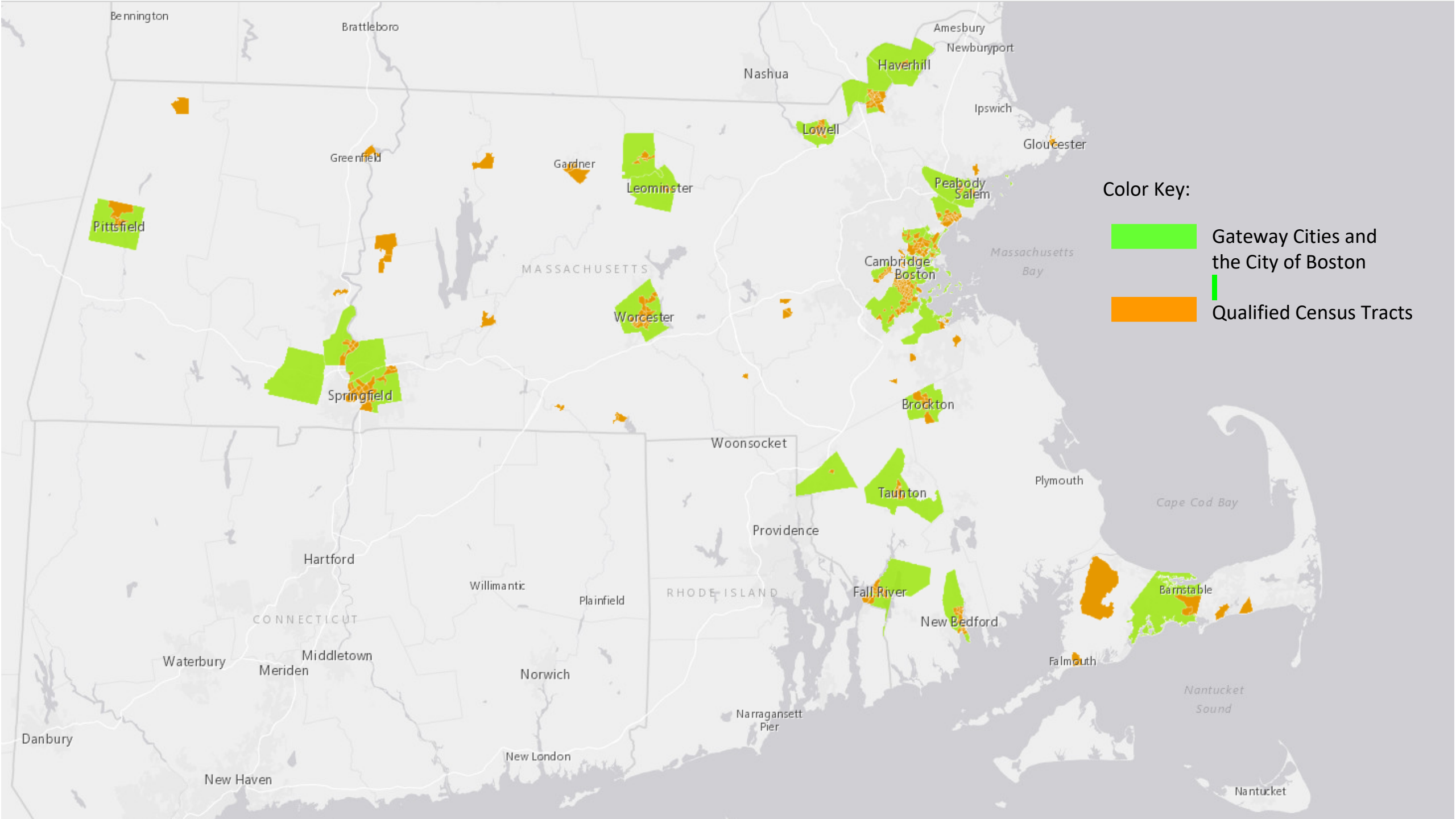
- The Commonwealth Builder Program seeks to create new homeownership opportunities in communities of color.
- As such, MassHousing is targeting the City of Boston, Gateway Cities and Qualified Census Tracts for production under this program.

GATEWAY CITIES

- Of its 351 cities and towns, Massachusetts has 26 Gateway Cities.
- These are defined as a municipality with a population greater than 35,000 and less than 250,000 with a median household income below the Commonwealth's average and a rate of educational attainment of a bachelor's degree or above that is below the commonwealth's average.
- Residents of these cities represent 37% of the state's foreign-born residents; 44% of the state's population living in poverty; 47% of the state's population without a high school credential; and 51% of the state's linguistically isolated residents.
- MassHousing sees the creation of affordable and mixed-income housing opportunities as critical to the future of these Gateway Cities.

GATEWAY CITIES

- Gateway Cities have seen alternating cycles of disinvestment and predatory lending. In 2010, the Gateway Cities contained 22 percent of the state's owner-occupied housing stock, but saw 40 percent of all the state's foreclosure activity (2010-2012). Homeownership rates in Boston and the Gateways lag rates across the rest of the state.
- Massachusetts has roughly 6.8 million residents, 73 percent of whom are non-Hispanic white residents. Boston and Gateways are home to 50 percent of the state's population; 75 percent of all residents of color live in Boston and the Gateway Cities.
- MassHousing's homeownership lending data shows that there is strong demand from creditworthy buyers for homeownership opportunities in communities of color.



Color Key:

- Gateway Cities and the City of Boston
- Qualified Census Tracts

PROGRAM GUIDELINES

- The Commonwealth Builder Program will provide market-based subsidies to support the construction of new workforce homeownership opportunities.
- The program will fund homeownership developments in the 26 Gateway Cities, Boston, and in Qualified Census Tracts throughout the State.
- Funds will subsidize the production and purchase of homes restricted to workforce housing buyers, with maximum sales prices affordable to households earning between 70% - 120% of the Area Median Income (AMI).

PROGRAM GUIDELINES

- MassHousing will target homeownership projects of scale: a 20-unit minimum, with at least 10 workforce affordable units.
- MassHousing generally anticipates committing no more than \$5 million, and \$150,000 per unit in subsidy, to a single project.
- The Agency will prioritize mixed-income developments, those containing units restricted at 70% of AMI, and those requesting less than \$150,000 per unit.

PROGRAM GUIDELINES

- Designated for first-time homebuyers
- New construction or adaptive reuse; no scattered site proposals
- No age restrictions
- Affordability Restrictions:
 - Gateway Cities and QCT's - 15 years
 - Boston – 30 years with City option for + 20 years

PROGRAM GUIDELINES

- Municipal Commitment Required – may be subsidy, land, or infrastructure
- Typically, no other state resources will be used (such as AHTF)
- Subsidy disbursed at end-buyer closing
- MassHousing's Homeownership Division will support the subsidy program with a combination of:
 - End loans
 - Down Payment Assistance loans
 - Mortgage insurance
 - Condominium document approval

APPLICATION PROCESS

Applications will include the following sections from the One-Stop:

- Project Description
- Development Team Summary
- Sources and Use of Funds
- Operating Pro-Forma
- Signature Page

ADDITIONAL APPLICATION REQUIREMENTS

- Site Information
- Environmental information
- Evidence of zoning approval
- Evidence of site control
- An Affirmative Fair Housing Marketing Plan (AFHMP)
- Description of how the project will meet the market needs identified in the program goals

ADDITIONAL APPLICATION REQUIREMENTS

- Description of the process that will be used to identify and qualify potential buyers
- Evidence of municipal support
- Market study
- Construction Lender Term Sheet
- Information on the developer's background
- Evidence of a developer's financial capacity
- Schematic design level drawings and preliminary specifications

Questions?
Comments?

Thank You!

