

A Simplified System that can Spur Housing in Marshall County

How Marshall County Partnership 4 Growth Can Put New Affordable Residential Housing in Place without Large Scale Contractors or Investors (which do not presently exist in the county)

Over the past 2 years, MCP4G has been exploring Energy-efficient Moderate Income Housing that can be achieved quickly and through cost-saving, and energy-saving measures like using Structured Insulated Panels (SIPs) to build housing "kits" that are precision-cut and shipped to the site. This is appreciating, prefab housing that is considered stronger and "greener" than stick-built housing. They use a metal framing system that is fire, water, mold and wind resistant. Banks have no problem financing this type of appreciating housing.

Housing can be sent just as the shell for more creativity in the inside open floor plan, or the entire house can be sent, minus HVAC, electricity and plumbing. The kit can be built in a week, and with the other finishing, these can be ready within 3-4 months. This housing can save the owner energy costs and maintenance costs, as well as the cost of a tornado shelter due to the R value of the house and its ability to withstand hurricane force winds. It is also highly fire resistant with metal framing and fire resistance panels. In Florida, the average insurance cost is \$1,500 a year. With this housing kit, those costs are reduced to \$600 a year.

Other cost savings can be through HVAC like mini-splits, and energy efficient plumbing. Since the house is so tight, (as low as 2 exchange rates vs. stick-built 20 exchanged air rate), heating and air conditioning costs are much lower than a traditional stick-built home, again reducing costs to the owner. (Number of windows and doors will affect exchange rates.)

Promotion of Concept

Concept – Ideally, we want to get the individual to oversee the build of their own home. This will remove the need for a large scale developer and investor. This will encourage infill lot use rather than a "subdivision" idea. Individual owners will finance and choose options and set the home on a slab on their own land. Infill is promoted, but the housing can go anywhere. Owners may build to rent or sell or live in the home.

All homes, at first, will have either 2-3 bedrooms and 2 baths. Options include having a contractor from the company do the labor or we can hire locally. With the first home, a local contractor will be trained on how to set and stitch the housing and fit together the specialized building system. Future buyers will be able to use this contractor across the county. (MCP4G obtained Guise-Weber grant to help with the training so we can keep the project local and affordable.)

Steps:

1. We have vetted available companies that provide quality and more affordable housing. Manufactured homes were not considered due to their cost, financing, and lack of appreciation as property. After researching tens of companies, MCP4G found that Out of the Box (OTB) was the most affordable and professional SIP manufacturer and responded in a

timely and professional manner. Their housing was the most green, most affordable per square foot, will work on a slab, and did not need a crane for set and stitch. It has the supply chain restored to function. They do not charge per mile for shipping, but a more reasonable flat fee.

2. Since Blue Rapids is open for the first project to start in their city, they vetted the building company (outoftheboxrealty.com) by visiting the factory and doing walk-throughs of the housing. This was done by early March, 2022, by Blue Rapid's mayor Jerry Zayas, and Ryan Woodyard.

3. Mayor Zayas was impressed with the quality and will promote for a model home in Blue Rapids. There are some free lots that can be accessed. It can be one of the the spec houses for the county to walk through. Having costs transparent will allow new owners to make choices on what they want to buy in materials for their home. MCP4G would develop a "system" of contractor/subcontractors that are trained in SIP and OTB construction, and materials that will provide consistent costs for each build out of a home.

a. The Model home's economic model will be transparent and costs could be broken down for the owner for feasibility purposes. The **goal** is to keep building costs at \$167k - \$170 for 3 bedrooms, and \$140k for 2 bedrooms. One bedroom would be closer to 110k and tiny homes will be less. **The actual build will allow for people to see supply purchase and actual costs. The GOAL is not a statement of costs. It may be actually less or more. The new owner will choose their range of costs keeping in mind costs of the property and the slab to build it on.**

b. Out of the Box 2 Bedroom square footage is from 937 feet, and 3 Bedrooms is 1,350. Two and three bedroom homes both have two baths.

4. If someone builds and is open to it, we will promote a county-wide open house in any town for physical viewing and questions. We will invite all stakeholders and the first home owner to be present to answer questions with the goal of promoting open infill sites in our towns and take orders for the build of the next housing kits. The other major goal is to create interest in other stakeholders in other towns to **do** the same thing on a site with a promotional model home.

Another great company that does prefab housing and can ship from Wichita KS is Micromansions. They are very reasonably priced and concentrate on quality. They would be easy to visit and vet. See [Dunn - microMANSIONS \(micromansionsdesign.com\)](http://Dunn - microMANSIONS (micromansionsdesign.com))

5. Mayor Zayas in Blue Rapids is working on infill housing and has considered building a prefab structured insulated panel home. They are working with a housing consulting company presently. This town with free lots would be a great place to start with a build.

6. The ultimate goal is to grow workforce housing in the county. It can start with one or more prefab Structured Insulated Panel (SIP) houses each installed and built out on an infill lot in Waterville, Frankfort, Marysville, and Summerfield in the near future. We would hope this would continue with 5-10 new homes a year, in different towns in the county, adding 20-25 new homes county-wide each year.

7. It is MCP4G's goal to have designated bank lenders with a published rate that can be an incentive.

8. MCP4G got the 10 year, 100% tax abatement program passed for infill housing in the county. This will offset the higher interest rates and costs after the pandemic. See the choosemarshallcountyks.com website for more information on this. It is under the Biz and Housing Incentive Tab.

9. We would help with running a good marketing plan as each model opens in different cities, helping to attract more building

10. Monitor success of first build, pivot where needed, and move to all other cities interested.

(Note: Not everyone may choose to use this simplified and faster method of building energy efficient housing. The incentives will still apply to anyone that adds housing to all infill areas. This shipped system streamlines the process for the owner/builder and allows for contained costs and a faster build with a quality energy-saving product that also serves as a storm shelter.)