

May 20<sup>th</sup> 2025  
Syracuse, NY

raising the future



Offsite, Sustainable,  
Climate-Resilient  
Building Strategies

## Session 3: Funding and Financing

*“The money angle”*

PRESENTED BY



**Habitat**  
for Humanity®  
of New York State



1:15 – 2:45

# Meet the Panelists

**Chris  
Kennedy**

*Executive  
Director*

**Habitat Buffalo**

**[ckennedy@  
habitatbuffalo.org](mailto:ckennedy@habitatbuffalo.org)**

**Christine  
Brady  
Lavalle**

*Executive  
Director*

**Ulster County  
Habitat**

**[christine.lavalle@  
ulsterhabitat.org](mailto:christine.lavalle@ulsterhabitat.org)**

**Andrew J.  
Leo**

*SVP Home  
Lending Sales  
Manager*

**NBT BANK, NA**

**[ALeo@nbtbank.com](mailto:ALeo@nbtbank.com)**

**Marjorie  
McAllister**

*Assistant  
Program Director,  
HOME Program*

**NYS Homes &  
Community  
Renewal**

**[Marjorie.McAllister@  
hcr.ny.gov](mailto:Marjorie.McAllister@hcr.ny.gov)**



# Introductions & Experience





An aerial photograph of a construction site for a residential development. In the foreground, a large blue circular graphic is overlaid on the left side, containing the text "Cost comparisons" in a bold, black, sans-serif font. The construction site itself shows several houses in various stages of completion. One house in the lower center is under construction, with its wooden frame visible. Other houses are partially finished with siding. A white pickup truck is parked on a dirt area. An American flag is flying on a tall pole. The background features a line of trees and a clear blue sky.

# Cost comparisons



# Modular home build sample: 2021 in rural Kentucky using USDA RD loan

## Model details

**Manufacturer:** Manufactured Housing Enterprises (Bryan, OH)

**Model:** Dakota Forest *customized*

- One story
- 3 bedrooms
- 2 bathrooms

**Series:** Elite Series

**Square Feet:** 1,390 sf (52' x 26'8")

**Module Boxes:** 2

**TOTAL MODEL COST:** \$74,200

## Operational details

**Retailer = General Contractor**

**GC manages *all* construction**

**Buyer obtains loan**

**Loan:** USDA Rural Development, "Construction to close" loan

**Loan terms dictates some design/construction terms**

## Cost details

Land (5 acres)	\$17,000
Modules (complete finish)	\$74,200
Excavation & foundation	\$30,000
Deliver & set	\$6,500
On-site porches (3)	\$18,000
On-site septic	\$8,000
Interior finishes	\$2,000
MEP install/finish	\$9,250
Misc. builder costs	\$22,150
Misc. loan/lender costs	\$3,900
Closing costs	\$10,000
<b>TOTAL LOAN AMT</b>	<b>\$201,000</b>



# Explainer: Offsite product types



## MODULAR

House constructed in sections in a factory to same residential building code as site-built units. Final product classified as residential dwelling, indistinguishable from site-built.

### Cost savings over stick-built:

Data not yet available (pending VEIC report).

**Financing/mortgages:** Same or better than stick-built.

**Development strategies:** Same or better than stick-built.



## MANUFACTURED

House constructed in sections in a factory to HUD's [Manufactured Home Construction and Safety Standards](#) (not IRC). AKA "HUD-Code-*minimum*." Different classification of housing: Manufactured.

**Cost savings over stick-built:** 40 – 65% (JCHS)

**Financing/mortgages:** Loan products often limited. [Mortgage products limited to MH-specific products](#). Very limited secondary markets.

**Development strategies:** Land use and placement often limited by zoning restrictions.



## CROSSMOD

House constructed in sections in a factory to HUD's [Manufactured Home Construction and Safety Standards](#) *plus* specific aesthetic, energy, and on-site improvements; AKA "HUD-Code-*plus*." Still a different classification of housing: Manufactured.

**Cost savings over stick-built:** 27% (JCHS)

**Financing/mortgages:** Loan products sometimes limited. Mortgage products limited to [MH Advantage](#) products. Somewhat limited secondary markets.

**Development strategies:** Land use/placement limited by zoning *but* industry is actively expanding use through greenfield development & variances.

# Explainer: Cost comparisons between manufactured and site-built

## National Construction Cost Estimates (JCHS, 2023)

Chart re-created for clarity from "Table 2: National Construction Estimates," page 19 of *Comparison of the Costs of Manufactured and Site-Built Housing*; Joint Center for Housing Studies (July 2023).

Cost category	Site-built (1,568 sf; comparable quality)	CrossMod™		Site-built (1,568 sf; comparable quality)	Manufactured (double-section)		Site-built (1,568 sf; comparable quality)	Manufactured (single-section)	
		Cost	% of site- built		Cost	% of site- built		Cost	% of site- built
Building cost	\$150,119	\$78,000	52%	\$135,576	\$68,000	50%	\$119,243	\$35,000	29%
Foundation	\$24,300	\$6,700	Cost savings <b>27%</b> over site- built	\$24,300	\$8,000	Cost savings <b>40%</b> over site- built	\$21,449	\$4,000	Cost savings <b>65%</b> over site- built
Transport & Install	-	\$4,000		-	\$1,000		-	\$1,000	
Admin & Profit	\$26,163	\$2,000		\$23,981	\$1,000		\$21,104	\$7,000	
<b>Total Cost</b>	<b>\$200,582</b>	<b>\$147,022</b>	<b>73%</b>	<b>\$183,857</b>	<b>\$109,852</b>	<b>60%</b>	<b>\$161,796</b>	<b>\$56,956</b>	<b>35%</b>

Notes: Foundation costs for manufactured homes include site prep and footings. Transportation and installation costs include transportation, siting of home, skirting, trimming out home, on-site add-ons, and cleaning. CrossMod™ also includes costs of raising roof and adding a garage. The site-built house for comparison with CrossMod™ includes a single-car garage, which is not included with double-section or single-section comparisons.

Source: Authors' tabulations of RS Means data for site-built homes and Next Step industry survey for manufactured homes. Cost of garage addition is from RS Means for both housing types.

**Note: All data is academic based on self-reported surveys of current producers – cost comparisons are *not* based on real-world construction examples.**



# Affiliate sample: Cost comparisons between various modular and site-built development models

**Habitat Staunton-Augusta-Waynesboro (VA, Medium GSA)** has tested real-world development costs across multiple modular and onsite development models to create a comparative cost-per-square-foot estimate for future development planning.

**Comparison 1:** Infill development testing of (3) different modular development models against traditional Habitat onsite model.

**Comparison 2:** Greenfield development testing of (2) different modular development models and (2) onsite development models alongside area (non-Habitat) average.



Construction cost per square foot comparison		
<b>Traditional volunteer model</b> Contractor-managed, volunteer labor, onsite construction.	\$185 / sq. ft.	<div>LEAST cost-effective</div> <div>↑</div> <div>↓</div> <div>MOST cost-effective</div>
<b>Area average</b> Non-Habitat, professional onsite construction of market-rate homes.	\$175 / sq. ft.	
<b>Hybrid modular</b> 50-80% of home is complete upon delivery, finished with volunteers.	\$165 / sq. ft.	
<b>Full modular</b> 90-95% of home is complete upon delivery.	\$149 / sq. ft.	
<b>Full contractor crews</b> Contractor management & labor, onsite construction of Habitat homes.	\$135 / sq. ft.	

Averages include all construction costs—including property acquisition, foundation installation and all construction labor and materials—plus a portion of organizational overhead. Overhead is calculated as 50% of non-construction affiliate operational costs divided by the number of homes completed in 12 months. Historical data is adjusted for inflation.





**Financial  
business  
impacts**



# Funding sources





# Funding sources common to Habitat new homes

**Which common funding sources, financing options, and mortgage products can or cannot be used on modular and manufactured homes?**

Federal funding source	Available to modular?	Available to manufactured?	Notes	<b>SAMPLE</b> Work in progress!
HUD Self-Help Homeownership Opportunity Program (SHOP)	May be limited	May be limited	Must meet state and local codes, requires significant sweat equity.	
HUD Community Development Block Grant (CDBG)	Yes	Yes	October 2023 notice includes a major eligibility update for manufactured housing. Modular homes treated same as site-built homes.	
HUD CDBG Disaster Recovery (CDBG-DR)	Yes	Yes	Activity includes replacing an existing substandard manufactured housing unit (MHU) with a new or standard MHU or stick- built/modular housing unit. All new construction buildings must meet the Green and Resilient Building Standard. Modular homes treated same as site-built homes.	
HUD HOME Investment Partnerships Program (HOME)	Yes*	Yes	Have not found language that specifically includes or excludes modular; presumed to be treated same as site-built homes.	
VA Home Loans	Yes	Yes	If manufactured, must be new and affixed to permanent foundation. Modular homes treated same as site-built homes.	
USDA RD Section 502 Loans	Yes*	Yes*		
USDA RD Mutual Self-Help Housing TA Grants	No	No	Cannot be used to pay for contracted construction	
USDA RD Section 523 Loans	No	No	To be used to acquire land for housing to be constructed by Self-Help method (above).	
USDA RD Section 524 Loans	Yes	Yes	No restrictions on construction type.	



# Streamlining, financing, and subsidizing construction and development costs

Cost area	Cost range	Available funding sources	Covered costs & activities
<b>Property acquisition &amp; development</b>	\$30,000 - \$90,000	<b>Grant subsidies:</b> CBDG, HOME, SHOP <b>Philanthropic:</b> “Community builder” sponsorship <b>Financing:</b> Habitat Capital acquisition & development loans	Property acquisition, any applicable demolition/environmental controls, complete excavation & foundation, install all community & site infrastructure.
<b>Home unit from factory</b>	\$90,000 - \$150,000	<b>Grant subsidies:</b> ? <b>Philanthropic:</b> “Home builder” sponsorship <b>Financing:</b> Habitat Capital construction loans	“Turnkey” home construction and finish: all work that can be performed at factory is complete upon delivery.
<b>Transportation &amp; installation</b>	\$10,000 - \$20,000	<b>Grant subsidies:</b> ? <b>Philanthropic:</b> “Bring it Home” sponsorship <b>Financing:</b> Habitat Capital construction loans [all one loan]	Transportation fees (factory to storage to site), module set (onsite-maneuvering, permanent installation on foundation, permanent attachment of all modules), and button-up (roof completion, dry-in completion).
<b>Onsite finishing &amp; features</b>	\$10,000 - \$30,000	<b>Grant subsidies:</b> ? <b>Philanthropic:</b> “Make it Home” sponsorship <b>Financing:</b> Habitat Capital construction loans [all one loan]	Complete all siding, install attached structures (porches, decks, garages), complete all interior finish (drywall and trim at marriage walls), complete all landscaping/site improvements.

# Funding the home: Stacking sponsorship opportunities

Sponsorship level	Sponsorship amount	Covered costs & activities	Recognition and engagement
Community Builder	\$30,000 - \$90,000	Property acquisition, any applicable demolition/environmental controls, excavation & foundation, install all community & site infrastructure.	Onsite “groundbreaking” ceremony & press release Volunteer opportunities: None
Home Builder	\$90,000 - \$150,000	“Turnkey” home construction and finish: all work that can be performed at factory is complete upon delivery.	Primary sponsor listed at all onsite ceremonies and in all press coverage. Volunteer opportunities may include pre-delivery prep work and post-delivery completion work. Note: “Whole house” sponsorship not necessary if combining construction financing with secondary market mortgage sales.
Bring it Home	\$10,000 - \$20,000	Transportation fees (factory to storage to site), module set (onsite-maneuvering, permanent installation on foundation, permanent attachment of all modules), and button-up (roof completion, dry-in completion).	Onsite “transformation” ceremony & press opportunity. Volunteer opportunities: None (activities performed by specialized contractors)
Make it Home	\$10,000 - \$30,000	Complete all siding, install attached structures (porches, decks, garages), complete all interior finish (drywall and trim at marriage walls), complete all landscaping/site improvements.	Volunteer opportunities: Multiple; all activities listed. This is the primary volunteer sponsorship. Can be one corporate or faith donor with multiple employee days; can be multiple individual “pay to play for a day” groups.

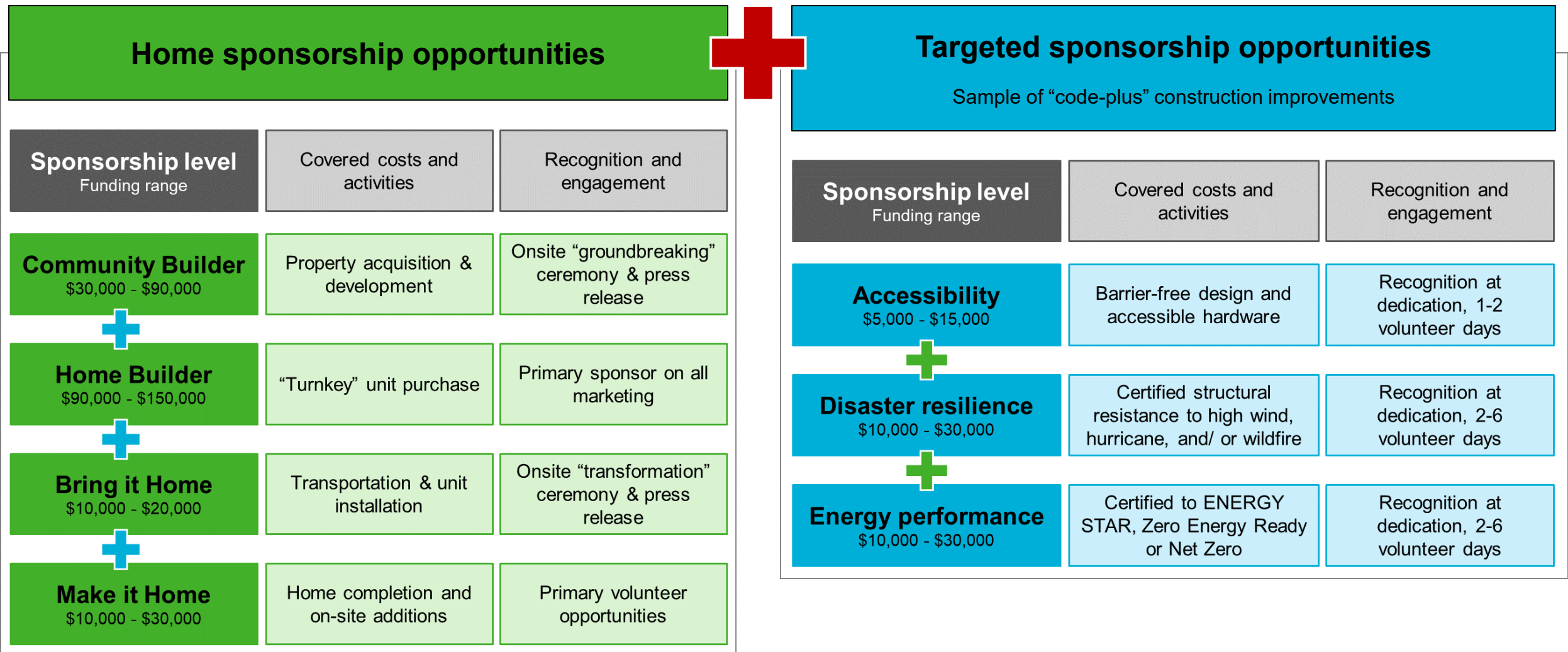


## Funding *code-plus* construction: Targeted funding for targeted improvements

Sponsorship level	Sponsorship amount	Available funding sources	Covered costs & activities
<b>Accessibility</b>	\$5,000 - \$15,000	<b>Grant subsidies:</b> Habitat Strong (HFHI) <b>Philanthropic:</b> Accessibility sponsor <b>Financing:</b> ?	All homes: Widened doors, hallways. No-step entries, barrier-free entrance. Accessible fixtures and hardware throughout. As needed: Barrier-free shower, specialized design adaptations and/or supportive technology.
<b>Disaster resilience</b>	\$10,000 - \$30,000	<b>Grant subsidies:</b> Habitat Strong (HFHI) <b>Philanthropic:</b> Resilience sponsor <b>Financing:</b> Habitat Capital (NCIF?)	Targeted to local/regional risk; could include: FORTIFIED Roof, Silver or Gold construction and certification. Fire-resistant cladding, roof and soffit material. Safe room addition. Upgraded opening protection (windows, doors).
<b>Energy performance</b>	\$10,000 - \$30,000	<b>Grant subsidies:</b> Habitat Strong (HFHI) <b>Philanthropic:</b> Energy sponsor <b>Financing:</b> Habitat Capital (NCIF?)	Targeted to local/regional climate needs; could include: construction and certification to ENERGY STAR, Zero Energy Ready, or Net Zero programs. Upgraded insulation, window, appliance packages. Addition of rooftop solar.
<b>What else?</b>	\$10,000 - \$30,000	<b>Grant subsidies:</b> <b>Philanthropic:</b> <b>Financing:</b> ?	?



# Communicating, marketing, and stacking sponsorship opportunities





# ***Thank you!***

## **Contact our panelists:**

**Chris Kennedy**  
**[ckennedy@habitatbuffalo.org](mailto:ckennedy@habitatbuffalo.org)**

**Christine Brady Laval**  
**[christine.lavalle@ulsterhabitat.org](mailto:christine.lavalle@ulsterhabitat.org)**

**Andrew J. Leo**  
**[ALeo@nbtbank.com](mailto:ALeo@nbtbank.com)**

**Marjorie McAllister**

## **Next up:**

# **Planning an Offsite Strategy**

## **3:00 – 4:30**

