



Neighborhood
Nonprofit Housing Corporation

Self-Help Housing

An alternative for affordability

Utah APA Spring 2025

Josh Runhaar, AICP

Executive Director – Neighborhood Nonprofit Housing Corp.

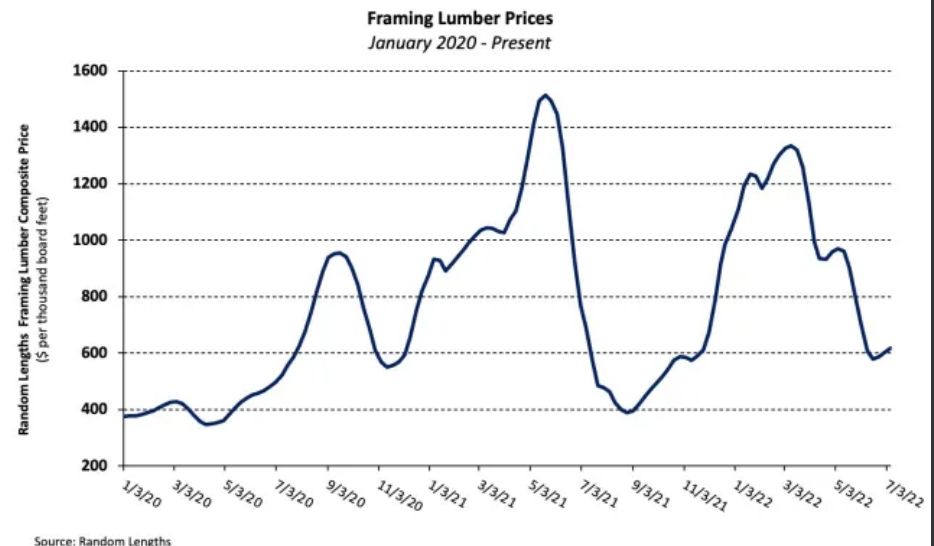


Introduction

- Neighborhood Nonprofit Housing Corp. (NNHC)
 - Self-Help Program
 - Land Development & Spec Build
 - Multi-Family Affordable (LIHTC, HUD, USDA, Etc.)
 - Low Income (<60% AMI), Homeless (<30% AMI), Senior, and Disabled Households
 - Single-Family Owner-Occupied Rehab
 - Housing Counseling (Prepurchase, Foreclosure, Reverse Mortgage)
 - Mortgage Products (Households with Disabilities, First Time Homebuyers)

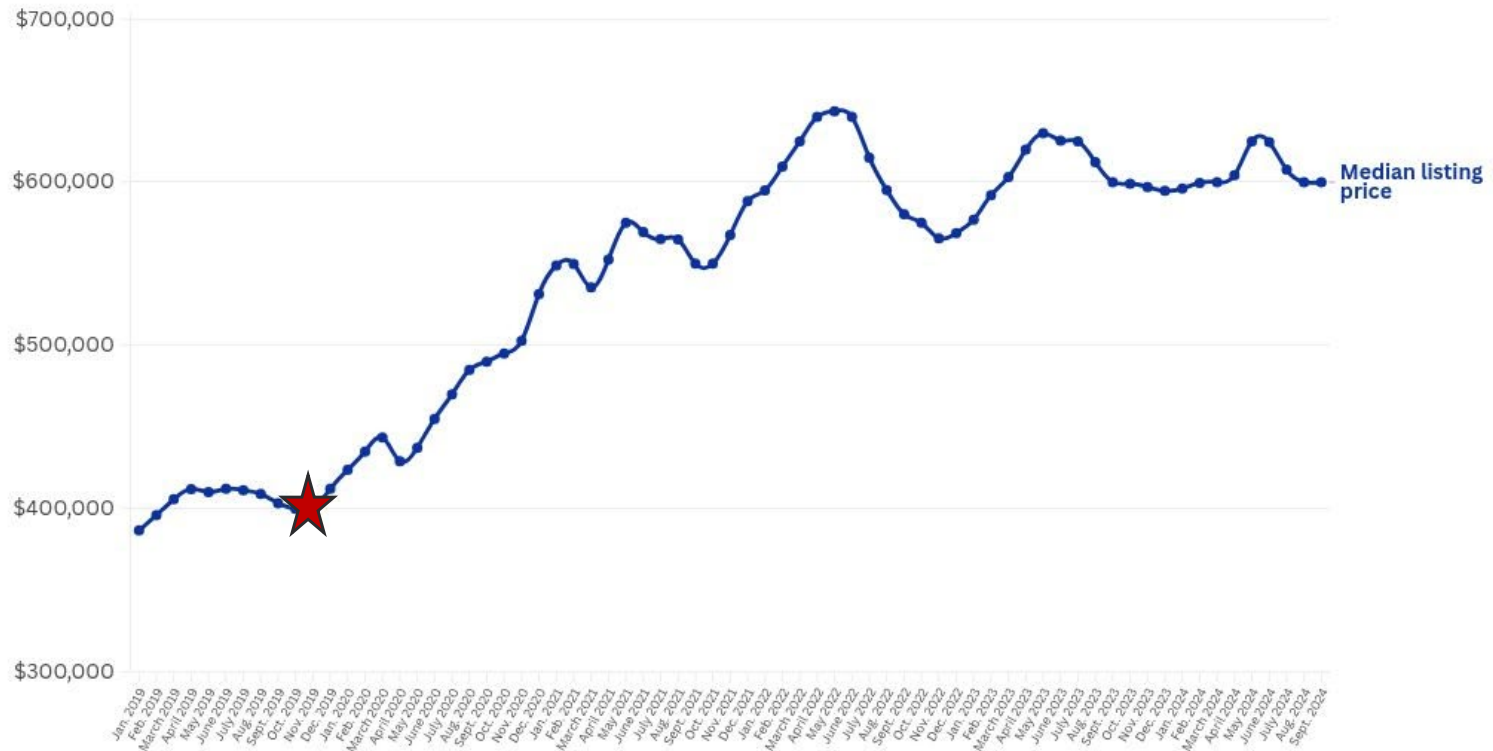
Introduction

- Cache County ~15 years
- November 2019 – Transition to NNHC
- March 2020 – COVID
- May 2021 – Lumber prices peaked (~5x)
- Utah Home Price Increases:
 - 2020 – 15%
 - 2021 – 27%
 - 2022 – 22%



Home Cost Increases

Utah's median home listing price
Jan. 1, 2019, to Sept. 1, 2024

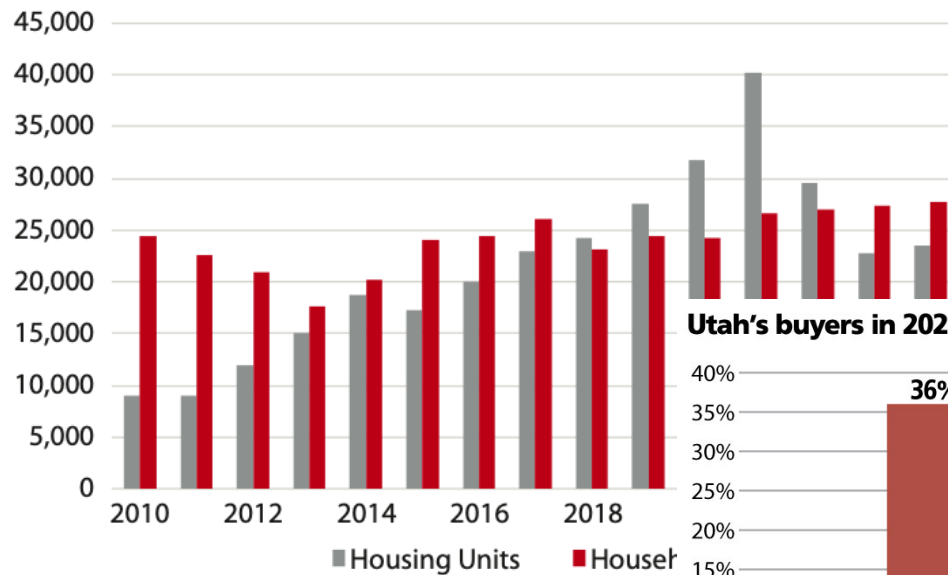


Source: [Federal Reserve Bank of St. Louis](#)
(Megan Banta | The Salt Lake Tribune)

The Salt Lake Tribune

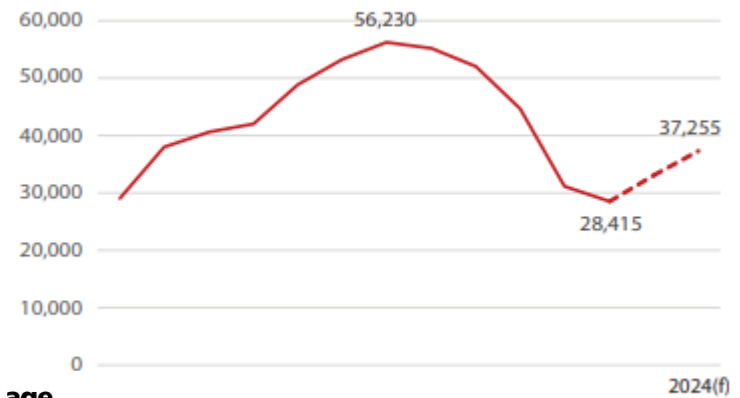
Home Cost Increases

Figure 9: Increase in Utah Housing Units vs. Increase in Utah Households, 2010-2024(f)

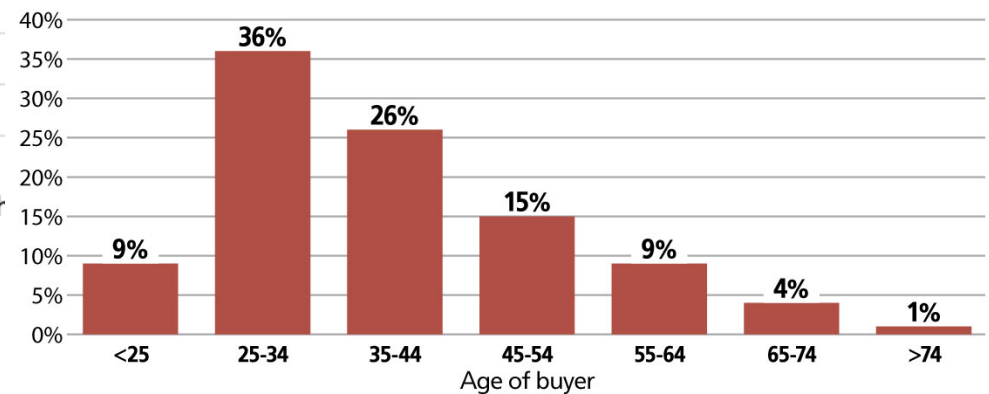


(f) = forecast (2023-2024)
Source: Kem C. Gardner Policy Institute

Figure 10: Cumulative Housing Shortage in Utah, 2011-2024(f)

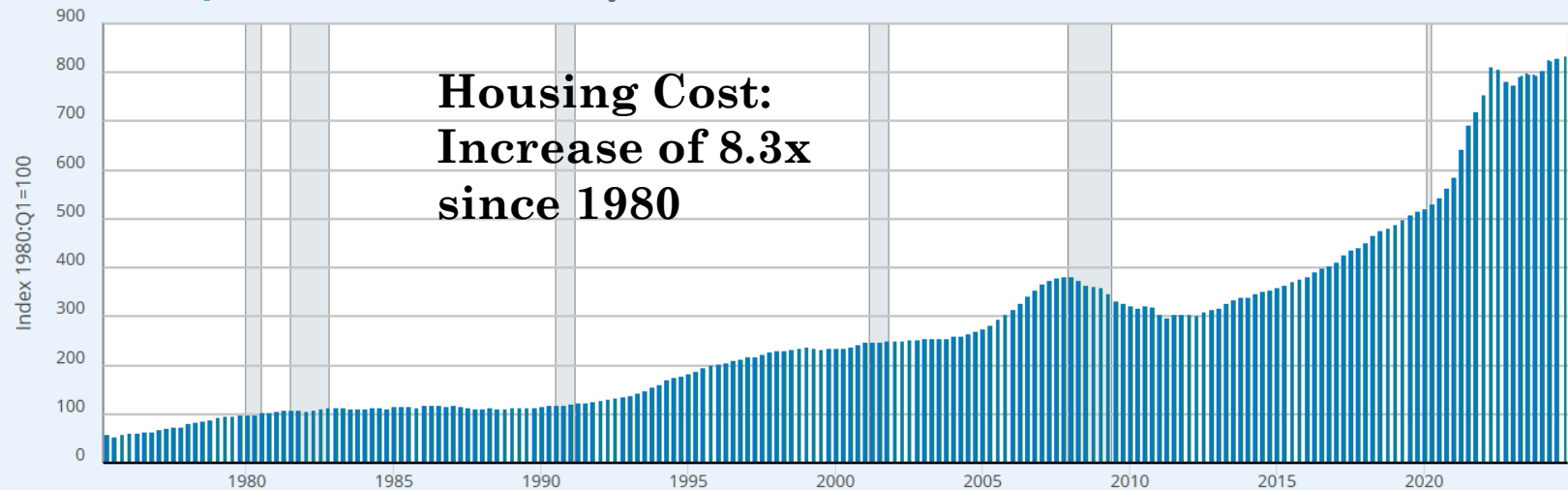


Utah's buyers in 2021 by age



Source: U.S. Census Bureau 2019 & 2021, Utah Association of Realtors

GRAPHIC BY CHRISTOPHER CHERRINGTON | The Salt Lake Tribune

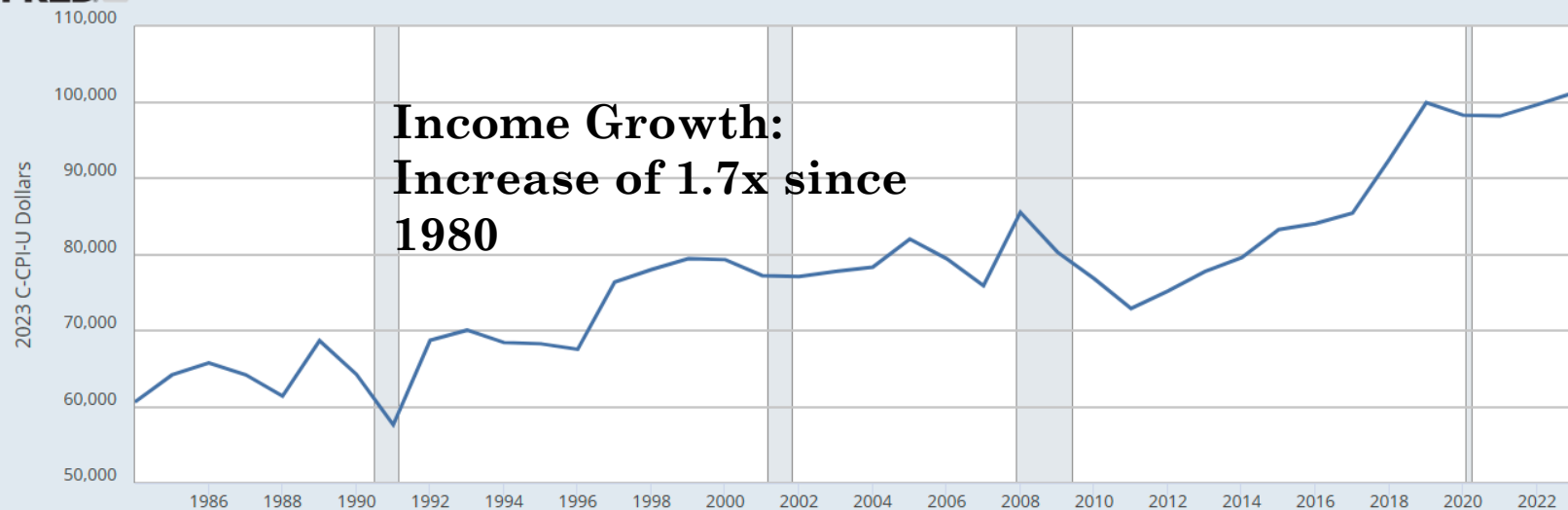


Source: U.S. Federal Housing Finance Agency via ALFRED®

Shaded areas indicate U.S. recessions.

alfred.stlouisfed.org

Fullscreen



Source: U.S. Census Bureau via FRED®

Shaded areas indicate U.S. recessions.

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Home Cost Increases

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BUSINESS & ECONOMY

Utah homeowners insurance rates have skyrocketed

Jul 3, 2024, 10:30 AM | Updated: Jul 23, 2024, 3:54 pm



Home Cost Increases

- Demand outpacing Supply
- Booming Economy (Unemployment 3.1%)
- Increased Development Risk
 - Politics, NIMBYs, Marginal Land
 - Longer Development Lead Time
 - Slowly evolving Zoning
- Cost Concerns:
 - Raw Land – 300-400% increase (~\$35k/ac to ~\$125-150k/ac+)
 - Infrastructure – 250% increase (\$550/l.f. to \$1350/l.f.)
 - 65% Increase in Housing Costs (2020-2024)

Self-Help Housing

- Not a Handout, a Hand Up
 - Teaching people to build homes – an Amish barn raising, but with power tools!
 - Grants make up 5-7% – program admin
 - Majority of funding is an amortized, fully payable loan
 - Only available in USDA eligible “rural areas”



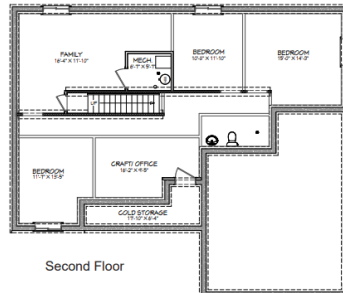
Self-Help Housing

- How does Self-Help Housing Work?
 - Households Build as a group
 - Groups of ~8 households
 - Mutual Assistance
 - Complete 65% of the labor
 - Subcontract mechanical, electrical, plumbing, concrete, etc.
 - Professional on-site supervisors provide oversight & training
 - 35 hours/week for ~10 months (Tu/W/Th nights + Saturday)



Self-Help Housing

- What is getting built?
 - Single Family Homes (5k, 8k, 10k Lots)
 - Cluster Homes
 - Duplexes
 - Townhomes
 - Typical Home:
 - ~1300-1400 sq. ft.
 - 3 Bed/2 Bath
 - 2 Car Garage
 - Unfinished Basement
- Market Rate Product
 - 'Modest', Not Custom
 - Loan Products, Grants
 - Land Trusts
- Housing Design
 - Simplification vs. Aesthetics
 - Landscape



Self-Help Housing

- Mortgage & Income Qualified
 - 640 Credit Score
 - Housing Ratio 33%
 - Debt to Income <41%
 - Income Ranges (Family of 4)
 - 40% @ <60% AMI (\$47.9k)
 - 60% @ <80% AMI (\$76.7k)

“Threading the Needle”

- Who is Building?
 - Teachers, Nurses, Single Moms, Tradesmen, Police/Fire, etc.



Self-Help Housing

- USDA Loans
 - Construction & Perm, Single Loan closing (USDA 502 Loan)
 - USDA Process ~6+ months
 - Housing Counseling for mortgage eligible
 - Pre-qualified and packaged by NNHC
 - Current Interest Rate: 4.875%
 - Subsidy Available down to 1%
 - Subsidy is recalculated at Perm Loan closing & on 2yr cycles
 - Subsidy amount is subject to recapture
 - Lesser of Full Subsidy or $\frac{1}{2}$ the appreciated value



Self-Help Housing

Year	Purchase price	Average Appraisal	Average Sweat Equity
2024	\$396,208	\$475,077	\$78,869
2023	\$392,636	\$465,150	\$72,514
2022	\$374,537	\$496,634	\$122,097
2021	\$308,000	\$457,000	\$149,000
2020	\$240,021	\$296,667	\$56,646

	Estimated PITI at closing	Estimated Monthly Subsidy Portion	Estimated Subsidized PITI
2024	\$2,191	\$698	\$1,410

Task	AVG Cost	Percent
Lot	\$137,000	29%
Permits	\$18,800	4%
Misc	\$14,377	3%
Excavation	\$15,975	3%
Concrete	\$48,197	10%
Framing	\$44,951	10%
MEP (HVAC, Plumb & Electrical)	\$34,500	7%
Exterior Finishes	\$19,343	4%
Interior Finishes	\$40,796	9%
Landscape	\$12,490	3%
Sweat Equity	\$78,721	17%
Total	\$465,150	

Self-Help Housing

- NNHC's Part of the Process
 - Provide Front End Support
 - Onsite Technical Support
 - Selections, Materials, Contracts
 - Financial: Invoices & Draws
 - Costs are covered by USDA via a grant, not the build groups
 - NNHC makes \$0 on home construction
 - NNHC makes profit on lot sales – reinvests in land/infrastructure to perpetuate the program





Self-Help Housing

- What more is NNHC doing to battle Housing Costs?
 - Consumer Preference
 - Single Family > Square Footage of Home > Lot Size
 - Most clients want the maximum they can get (House, lot, etc.)
 - Some prefer “wait & increase income” instead of an affordable option
 - Taller home with more compact footprint = less expense
 - Land Development Efficiency is Key
 - Reduce Infrastructure per Unit
 - Design Smaller Houses
 - Spec Build – Focus on Affordability
 - Continuous Redesign & Material Selection

Self-Help Housing

Community Rebuilds (CR)

Moab

Housing Authority of Southeastern Utah (HASU)

Moab

Mountainlands Community Housing Trust (MCHT)

Park City

Neighborhood Nonprofit Housing Corporation (NNHC)

Logan

RHDC dba Self-Help Homes (SHH)

Provo

Six County Association of Governments (SCAOG) / R6

Richfield

Southeastern Utah Association of Local Governments

DBA South Eastern Regional Development Agency (SERDA)

Price

Tooele County Housing Authority (TCHA)

Tooele

Uintah Basin Association of Governments (UBAOG)

Roosevelt

