

# CONNECT HOUSING BLOCKS

## New Markets Tax Credit Financing Transforms Vacant Retail Property into Modular Home Factory in Northeast Columbus



New Markets Tax Credit (NMTC) financing enabled a local manufacturing company to transform a vacant 500,000 square foot warehouse on Westerville Road into a modular home factory with capacity to build up to 1,700 modular housing units each year. These manufactured homes will play an important role in combating the critical housing shortage in Central Ohio and beyond.

Connect Housing Blocks (CHB), a subsidiary of Columbus-based development firm Connect Realty, used NMTC proceeds to purchase and install specialized equipment and machinery needed to manufacture high quality, low-cost modular housing units. Steel framed units will emerge from the factory fully finished, including drywall, plumbing, wiring, insulation, windows, and fixtures. Steel framing allows units to be stacked up to seven stories high without additional support, and homes may then be assembled on a site within just weeks rather than the months typical of conventional construction methods.

Finance Fund provided \$10.75 million of federal NMTC allocation, and Stonehenge Community Development provide \$4 million of federal and \$2.5 million of state NMTC allocation to CHB for the project.

CHB will counteract rising costs and other inefficiencies endemic to the traditional housing development industry by using technology and advanced manufacturing processes to reduce human error, reduce design and build time by 50%, and lower construction costs by 20%. Units are anticipated to use 50% less water and energy, provide 30% better thermal performance, and create 90% less construction and material waste than a traditional apartment unit.

### FINANCE FUND INVESTMENT IMPACT:

- Transformation of 500,000 square feet of vacant retail space into modular home manufacturer
- Production of prefabricated light gauge steel modular units for the development of up to 1,700 affordable housing apartment units annually
- Creation of approximately 300 new FTE positions

**“It is clear that there is a need for housing in our region. As Mayor Ginther has talked about, there needs to be a regional approach to solving this problem and we believe (Connect Housing Blocks) helps to solve that while also providing jobs in an important area.”**

– Brad DeHays, Founder of Connect Realty

The project will create approximately 300 new direct FTE jobs consisting of manufacturing line and prefabrication assembly workers, construction trainers, maintenance technicians, inventory specialists, quality control, HR, purchasing department personnel, health and safety personnel, IT personnel, engineers, equipment operators, general laborers, finance, and sales positions. All FTE jobs will pay rates above living wage for the project area.

CHB is partnering with local community groups such as Impact Community Action and the Workforce Development Board of Central Ohio to recruit employees locally. CHB hired automotive engineering experts to advise on processes being employed at the facility and adopted a training model that seeks to tear down barriers to entry and gender bias in the industry.

Residents of the project area experience a poverty rate of 47.7%, a median family income equal to 32.9% of the area median, and an unemployment rate of 14.6%, which is 1.76 times the national unemployment rate.

*Project Address: 3251 Westerville Road  
Columbus, OH 43224*

3rd Congressional District  
25th Ohio House District  
15th Ohio Senate District

