

Published: November 13, 2011 3:00 a.m.

The Journal Gazette

Builder's project helps neighborhood rebuild

Rosa Salter Rodriguez | The Journal Gazette

Fort Wayne – When Kevan Biggs first got out of college, he, like a lot of young Hoosiers, thought his best career opportunities would lie elsewhere.

So, armed with a degree in construction technology from Purdue University, he set out for Seattle.

"I wanted to get as far away from Decatur as I could," the 39-year-old says with a wry smile. "I had no aspirations of coming back to the family business."

But Biggs' dad, homebuilder Ralph Biggs, owner of Decatur's Ideal Suburban Homes, "kept the door open," Biggs says, and after about a year, he found his way home.

Little did he know that 15 years later, he'd be carrying on his father's legacy by spearheading one of the most high-profile home-building efforts in the Fort Wayne area.

Biggs became Ideal's head in 2009 when his father died and now is the force behind the company's involvement in the redevelopment of Renaissance Pointe, the former Hanna-Creighton neighborhood on Fort Wayne's southeast side.

Struggling with urban blight and devastated by a 1997 fire that burned thousands of tires at a storage facility, the neighborhood has seen stops and starts in revitalization for years.

But now, with a new \$10 million rent-to-own housing initiative led by Ideal, earth is



Photos by Laura J. Gardner | The Journal Gazette

Kevan Biggs of Ideal Suburban Homes is the new lead builder on the Renaissance Pointe rent-to-own project, which includes three styles of homes, including this one on John Street.



Ruben Martinez, front, and Maurice Hernandez, back, work together on the second floor of a home being built by Ideal Suburban Homes on John Street.

moving and homes are springing up on vacant lots along John Street, the neighborhood gateway from Creighton Avenue.

While other builders have scaled back or withdrawn from Renaissance Pointe, Ideal currently has 23 houses started, nine fully framed, and plans to begin and deliver two dwellings a month starting in January.

Biggs says he's confident 66 proposed single-family homes will be finished – and most occupied – by the end of 2012. Ideal is now advertising for subcontractors, and about 30 potential tenant-to-owners have indicated interest, he says.

Heather Presley-Cowen, Fort Wayne's deputy director of housing and neighborhood services, credits Biggs' persistence in pulling the project along.

"What Kevan personally, and from an Ideal builder's standpoint, brings is being a consistent and tenacious partner with the city," she says. "He has this commitment to stick with it through the tough times."

Maurine Holle, executive director of the Fort Wayne Home Builders Association and, until recently, a member of the city's Housing and Neighborhood Development Services board, says she believes Ideal will succeed where others haven't.

"I think he's got a background to use to his advantage ... to make this thing work. ... He's very well-spoken," she says after having listened to Biggs make presentations to the board.

"I think he's done his research and he has a vast knowledge of housing and how these government programs work, and he seems able to work with the city in all his financing."

Biggs says he got his start in construction



Laura J. Gardner | The Journal Gazette

Ideal Suburban Homes is using a federal program to help finance the houses being built on John Street.

About Renaissance Pointe

- Three home models: the Claymore, a ranch with three bedrooms and two baths; the Brentwood, a four-bedroom, two-bath bungalow; and the Roosevelt, a three-bedroom, 2 1/2 -bath two-story.
- 10 percent of homes are fully accessible for those with disabilities or people with special needs, including single parents.
- All houses have attached two-car garages, front porches and a National Association of Home Builders' silver rating for energy efficiency.
- Tenants qualify if their income is between 30 percent and 60 percent of the Fort Wayne Metropolitan Statistical Area's median income. Thirteen units will go to those at 30 percent, 24 at 50 percent and 26 at 60 percent.
- Rent and utilities range from \$485 monthly for a three-bedroom home to \$782; four-bedrooms range from \$541 to \$922. The utility allowance is \$206 for three bedrooms to \$248 for four bedrooms; actual costs are predicted to be less, making the net rent from \$279 to \$622 for three bedrooms and \$293 to \$674 for four bedrooms.
- Each year of residency for the first five years accrues \$500 toward the down payment on an Ideal house. After 15 years, houses can be sold to tenants at a discounted rate and the mortgage amount will not exceed the rent at that time.
- Rents will increase depending on federal Housing

like a lot of other area second- and third-generation builders – “pushing a broom and swinging a hammer” on job sites when he was still a teen.

Engineering was his first choice of major for college, but he switched gears into construction technology midway.

When he started with Ideal, his first project was developing a Computer Assisting Drafting system.

and Urban Development adjustments based on the area’s median income; tenants can remain in the house if their incomes rise above qualifying limits.

- Neighborhood amenities include proximity to downtown, a new YMCA, library branch and greenway trail. Tenants have access to home-ownership, personal finance, wellness and other classes.

- No homes will be rented if all tenants are full-time students, but some tenants can be.

But when his father died in the midst of the homebuilding crisis, he says, he was forced to re-evaluate everything Ideal was doing. Biggs’ grandfather, Clark W. Smith, founded Ideal in 1959.

“I was pretty clear that if we were just going to hope it gets better, we probably wouldn’t be in business right now,” says Biggs, a married father of three.

One thing Biggs looked at closely was a federal program his father began using decades ago to finance projects. The program, Section 42 of the Internal Revenue Service’s tax code, allows tax credits for those who invest in building homes for people with low to moderate incomes.

“Low-income housing tax credits were written into law in 1986, and my father was one of the first people involved in the program. He did his first project in 1986,” Biggs says. “We continued to develop under it (Section 42) until the mid-1990s.”

The credits are attractive to investors because they allow a dollar-for-dollar reduction in federal income tax owed instead of just a reduction in taxable income. Packaged and sold by brokers to corporate investors, they could provide a means for getting construction financing for Renaissance Pointe without dealing with reluctant banks, Biggs realized.

Section 42 required a 15-year commitment to manage the properties. But Ideal already had in place a property management arm from its long track record in smaller communities throughout northeast Indiana, so it was already well positioned.

Biggs “was really cutting his teeth on development regulations and working with government funds,” says Presley-Cowen. But he “kept at it,” she says.

“He really looks at things as, ‘How can we make Fort Wayne a better place and have better jobs. ... He has definitely been very community minded in many ways.” Biggs believed the previous rent-to-own project in Renaissance Pointe suffered from insufficient communication with neighborhood residents and leaders. Beginning in 2010, the company set up meetings to explain what was being done, and opposition dissipated.

“One of the things that gave us better recognition is we had been working in that community since 2007,” he says, referring to Ideal’s building of model homes during Renaissance Pointe’s earlier home-ownership phase.

"We showed this (rent-to-own project) really is a home-ownership program. We just have to take a little different route to get there."

Timing also seemed to fall into place. A city-commissioned survey in 2010 found a need for more rental homes in the neighborhood, Biggs says, as more people sought rental housing because of foreclosures, job insecurity or reluctant lenders.

He recalls that even in 2007 when Ideal was marketing the homes it built in Renaissance Pointe, "The thing we heard was 'I want to live down here, but I can't get financing. Could you rent one to me?' " Biggs says. "I knew there was a market."

While Ideal's goal remains being profitable, Biggs says, he's happy that the company is able to continue the focus set by his father and grandfather on helping ordinary people buy houses.

He considers Renaissance Pointe "a home ownership incubation project" that will ready tenants to buy homes – either the one they've rented or another new home nearby using conventional financing and equity they've amassed through rent-to-own payments.

Ideal may get to build some of those homes, too, he notes, giving the company a supply of customers and an income stream beyond the developer fees it receives for building now, Biggs says.

He adds he "actually found it enjoyable" bringing together the many entities needed to make the complicated project work – and Ideal to bustle while many home builders have foundered.

"The whole team had to get refocused and stay committed," he says. "We couldn't be more blessed that we still have work."

Mark Heller, owner of Heller Homes in Fort Wayne, says he's not surprised that Biggs, whom he's known for many years, would take on Renaissance Pointe.

"He's a hardworking, straight-shooting guy," he says. "He was brought up right."

rsalter@jg.net

[© Copyright 2011 The Journal Gazette. All rights reserved.](#)
[This material may not be published, broadcast, rewritten or](#)
[redistributed.](#)