

# MMHA House Testimony 05-18-23

Michigan  
Manufactured  
**HOUSING**  
Association

Good morning, Members of the House Economic Development and Small Business Subcommittee on Housing. My name is John Lindley and I am president and CEO of the Michigan Manufactured Housing Association.

Thank you for inviting us here today, and for providing us with the opportunity to testify. I also want to express our appreciation to the Speaker and House leadership for creating this special subcommittee on housing. Our state's ongoing housing supply and affordability crisis, in particular, deserves an all-hands-on-deck response, and I commend the Michigan House for recognizing the importance of this issue.

The Michigan Manufactured Housing Association is composed of roughly 650 members representing the entire supply chain of factory-built housing. Those that build the manufactured and modular homes, those that transport and install the homes, and of course the community owners.

A significant factor in addressing Michigan's needs comes in the form of homeownership opportunities. Attainable homeownership is critical for many reasons, and affordability is especially important because it can help people escape poverty and give more citizens the best chance at success in life.

Manufactured and modular homes are a popular option for many Michigan families. You'll find these homes in rural, suburban, and urban communities across our state. In fact, Michigan ranks in the top ten states every year for receiving manufactured home shipments. The metro Detroit area also is one of the top ten retail markets in the country for manufactured housing.

We believe that manufactured and modular homes can play an even larger role to help end our state's housing crisis. Unfortunately, there are some barriers that exist, both real and imagined, that limit people's access to these affordable homes.

Let's first address the issue of quality. It's vitally important to realize that manufactured homes use the same materials as site-built homes, but with one important advantage. Manufactured homes are constructed in an efficient, climate-controlled environment away from the elements in a streamlined building process designed to reduce waste and keep costs low. In fact, today's modern factories are so efficient they can build a home in two weeks, with so little waste left over, it wouldn't fill a 55-gallon drum.

Since 1976 construction of these homes has been regulated by stringent federal laws ensuring their quality under the umbrella of the U.S. Department of Housing and Urban Development (HUD). The appearance of modern manufactured homes is also compatible with local architecture and can often be essentially indistinguishable from site-built homes.

Construction also is continually inspected to ensure a manufactured home meets the standards of the HUD code and modular homes meet the standards of the State of Michigan Residential Building Code – the same code used for site-built homes in our state. In addition, each home is engineered and inspected to meet wind safety standards and energy-efficiency requirements.

Cities, suburbs, and rural areas in Michigan are facing the same affordable housing crisis as the rest of the country, and it's one driven frankly by a lack of affordable options. New manufactured and modular homes start at less than \$75,000, with many financing options available. The average new manufactured home price is just under \$107,000, which is three times less than the cost of an average site-built home. Further, previously owned and occupied homes are available in beautiful, clean, and safe communities all over the state for \$40,000 or even less.

I mentioned an all-hands-on-deck approach – we need multi-family housing, we need rental homes, apartments, condos, duplexes, and neighborhoods. We need it all – and we need manufactured and modular homes. The Manufactured Housing Association is fully supportive of Gov. Whitmer's efforts to end our housing crisis. We stand ready to work with the Legislature and governor's administration to achieve the goals laid out in the administration's "Statewide Housing Plan." The goal which we share is to make tens of thousands of new homes available to Michigan families over the next few years to address this crisis – a goal that, frankly, will not be met without consideration of manufactured and modular homes.

Michigan's manufactured housing industry is helping reach the governor's goal by providing thousands of new homes for families every year, even through the height of the pandemic. For example, the manufactured housing industry provided 12,404 new homes in Michigan since January 2020, despite too many local governments standing in the way of the development of these critically-needed housing options.

The simple truth is that the single largest deterrent to affordable housing like manufactured homes is a local government's residential zoning restrictions. Planning and zoning regulations have been used by local units of government to create and defend solely zones of higher-cost housing, but they have rarely been used as tools to promote widespread affordability.

Even more troubling, sometimes zoning restrictions specifically exclude manufactured homes in a local community, ensuring that people wishing to live in that community will be forced to pay artificially high prices for no reason. Discriminatory government restrictions on housing supply will only exacerbate our current crisis.

Manufactured homes provide affordable homeownership opportunities for thousands for roughly 250,000 Michiganders. The best thing the state can do to spark even more of this kind of growth is to incentivize local governments to embrace pro-growth zoning policies to attract more housing options for the people who want to live there. Again, we need an "all-of-the-above" solutions.

In order to drive toward our shared, overlapping goals of addressing affordability and increasing the available housing supply, we should consider reforming zoning restrictions to help our state grow, increase homeownership equity across race, ethnic and socio-economic groups, and increase homeownership among low- and middle-income households. That's how we build a state where everyone can afford to live and thrive.

We can all agree that state and local policies should be aimed at setting up Michigan for long-term growth and success, and certainly we should always be a place where everyone can afford to live, work, and raise a family.

Now more than ever, Michigan needs affordable housing to help people fulfill the dream of attainable homeownership. At the Michigan Manufactured Housing Association, we're deeply committed to turning that dream into reality. Let's work together to build a better future for all of our communities.