



INTRODUCTION

Manufactured Housing has been recognized by housing organizations, local entities, states and the federal government as the only <u>unsubsidized</u> affordable housing on the market. Its benefits include:

- Affordability
- Quality Construction (HUD Standards)
- Energy Efficiency
- Customizability
- Portability
- · Community Living



3

3

AFFORDABILITY

Manufactured homes are now designed to look and feel like traditional site-built homes with the commiserate features and comparable building materials.

The availability of lower cost quality housing can alleviate some of the pressure on the housing market for those who can't afford a higher cost.

Due to their ability to be moved from factory to site, they can provide quick relief for jurisdictions facing the difficulty of having enough housing for their workforce or student populations.

RECENT MARKET COMPARISONS BELOW SHOW THE COST OF A MANUFACTURED HOME VERSUS THE COST OF BUILDING A HOME ON A LOT (LAND PRICES ARE NOT INCLUDED)

Sq Footage	Manufactured Home in Community or as a 2 nd Home on already purchased property.* Does not include lot costs. (Includes estimated delivery and installation costs)	Manufactured Home cost installed on own lot. (Includes estimated delivery and installation costs, including a permanent foundation – does not include lot costs)	Site Built Home (based on national average of \$275/sq foot – does not include lot costs)	Site Built Home (based on average of \$200/sq foot – does not include lot costs)
1140	\$97,000	\$130,000	\$313,500	\$228,000
1200	\$148,000	\$163,000	\$330,000	\$240,000
1700	\$168,000	\$183,000	\$467,000	\$340,000
2300	\$218,000	\$233,000	\$632,500	\$460,000
2750	\$262,000	\$295,000	\$757,350	\$550,000

^{*} Please note that the price of a manufactured home can vary depending on factors such as manufacturer, location and amenities.

5

DEPRECIATION - A MYTH

<u>Depreciation Versus Appreciation of Value</u> – There has been a long standing assumption the manufactured homes depreciate in value. That has changed — with the HUD strict construction standards and quality control manufactured homes meet or exceed site built quality.

One Example – Caldwell, Idaho

1994 - Manufactured home set on an individual lot on a foundation for a cost of \$80,000.

2001 - Sold for \$125k.

2016 - Listed and sold for \$195k

2023 - Zillow now shows it estimated at \$490k.

Only routine maintenance/updates have been done since 1994 such as paint, shingles, carpets, etc.

The price appreciation/fluctuation is on par with site-built homes in the rest of the Treasure Valley over that time period.



Property Values - All the recent studies show that manufactured homes, either in communities or on individual lots, have no impact on the property values of adjacent sitebuilt homes.

0XX PRESENTATION TITLE

TAXES

Both real property and personal property tax rates are set by counties and the taxing districts within the counties. These two tax rates are set at the same level and, when collected, are distributed to the county, cities and other taxing entities in accordance with the rates set by their governing bodies.

- The total amount of taxes actually paid are based upon the assessed value of the home.
- Assessed value is generally based on age of the home, construction materials, and condition of the property for both site-built and factory built homes. Assessors do not assess site-built homes at a higher value simply because they are site-built homes nor do they lower the value if next to a manufactured home!
- Manufactured home communities (MHC) are assessed as a commercial use, generally meaning a higher assessed value and therefore generating higher tax revenues. The homes within the community are then generally assessed and taxed as personal property.

The conclusion is that the level of tax revenues received by Idaho counties, cities and other taxing districts is not decreased simply by the installation of a manufactured home versus a site-built home, whether the home is deemed personal or real property. Taxes paid by both site-built and factory built homes go to pay for services received from their taxing entities.

7

7

DEFINITIONS

<u>Covenants</u> - A covenant is a promise to engage in or refrain from a specified action. Covenants are best known as conditions placed on property within a subdivision that all owners agree to adhere to. Government jurisdictions have no standing to enforce covenants that restrict Manufactured Homes.

<u>Manufactured Home</u> – A factory assembled structure designed as a dwelling unit, constructed after June 15, 1976, in accordance with HUD construction and safety standards, that can be transported to the site in one or more sections and has a square footage of 320 feet or more (39-4105 (8)).

<u>Manufactured Housing Community</u> – Means any site, lot or tract of land upon which ten (10) or more manufactured homes may be sited. This can include fee simple land sales (lots individually owned) or lots leased or rented through one owner (67-6509B).



DEFINITIONS

Mobile Home – Is a factory assembled structure designed as a dwelling unit constructed prior to June 15, 1976. If a mobile home is moved from its original site then it must meet rehabilitation standards to bring it up to current safety codes for a dwelling unit (44-2503). It is designed to be placed on a permanent foundation or left on its frame (with proper tiedowns).



Modular Building/Home – Any building or building component, other than a manufactured or mobile home, that is of closed construction and is either entirely or substantially pre-fabricated or assembled at a place other than the building site (39-4301)



C

DEFINITIONS

<u>Park Model Recreational Vehicle</u> – A recreational vehicle, not exceeding 400 square feet, built on a chassis with wheels providing temporary accommodations for seasonal use and built to national safety and fire standards (49-117).

<u>Tiny Home</u> - A dwelling that is four hundred (400) square feet or less in floor area excluding lofts (IDAPA 07.03.01). A tiny home on wheels is considered a recreational vehicle limiting occupation to seasonal use. A tiny home built on a permanent foundation and to International Residential Code (IRC) standards is considered safe for year-round occupation.





10

STATE LAWS



Idaho State law specifically **prohibits the discrimination** against manufactured housing alternatives in both the Comprehensive Plan or a city or county Development (or Zoning and/or Subdivision) Code. These prohibitions have been in state law for over 30 years when the State Legislature recognized the manufactured housing provides a safe and viable alternative to site-built housing. Note that there is no law that restricts prohibition of mobile homes (built pre-1976).

11

11

67-6509 – Siting of Manufactured Homes



This section of the law requires all cities and counties to provide for the siting of manufactured homes on a lot within any neighborhood zoned for single-family residential use. It allows the jurisdiction to place certain conditions including square footage and design elements, but the jurisdiction cannot place other additional design requirements on manufactured homes that would not be applied to the site-built homes in the same area.

67-6509B - Manufactured Housing Community

This section prohibits zoning, community development or subdivision ordinances which disallow the plans for a manufactured housing community solely because the housing provided will be manufactured homes.



67-6518 – Standards

This section allows for jurisdictions to set standards for development, including inside a Manufactured Home Community.

44-2201 – Manufactured Home Installation Standards

This section provides for a state installation manual delineating standards and procedures for the installation of <u>used</u> manufactured and mobile homes (New manufactured homes are installed using the manufacturer's specifications).

63-3606 - New Manufactured Home

This section defines the sale and taxing requirements of a "new" manufactured home (versus one that has been lived in and being resold)

13

13



63-3622R - Motor Vehicles, Used Manufactured Homes. . .

This section defines the sale and taxing requirements of a "used" manufactured home (versus one that has come from the manufacturer and is being sold for the first time)

55-20 – Manufactured Home Residency Act

This section governs Manufactured Home Communities (MHC) on everything from lease and rental agreements to evictions. It also addresses the sale or closure of a MHC.

63-304 - Manufactured Homes to Constitute Real Property

This section addresses the requirements to be met to move a manufactured home from the personal property category to real property and provides direction to county assessors in assessing and taxing the property. Basic requirements are that the running gear must be removed and the home placed upon a permanent foundation. The following section in the law (63-305) discusses the procedure for reversing a real property declaration.

DEVELOPMENT OPTIONS ALLOWED UNDER STATE LAW

General clarifications on what a jurisdiction can and cannot do under Idaho Law:

- Cannot deny permits for manufactured home meeting requirements in any zone allowing for single family homes based on the type of housing
- Cannot deny an application for manufactured home subdivision in any zone single family home subdivisions are allowed based on the type of housing.
- Can put design standards and conditions on MH's being placed in areas
 with single family homes. This can include conditions set in state law (676509A) and "any development standard, architectural requirement and
 minimum size requirements to which a conventional single family
 residential dwelling on the same lot would be subjected." (67-6509(f)).

15

15



<u>Communities</u> – Manufactured Home Communities (MHC) are not your old "trailer parks." Manufactured homes are factory built structures transported on a chassis system to their destination. New communities are approved by the local jurisdiction and can be built to the standards that the local jurisdiction sets (model ordinances provided)

Communities can come in different forms:

- Lots are sold to each individual homeowner with a Homeowners Association (HOA) or management group to maintain all common areas.
- The land in the community is owned by one entity, which then leases or rents the lots to the homeowners and is responsible for maintaining the common areas.
- · Can be resident owned and operated with resident board directing operations
- Can be resident operated with land owned by a *non-profit* formed by the residents with all rents going towards mortgage and maintenance

Typically all infrastructure serving the community's interior such as roads, services, and other infrastructure is owned, maintained and paid for by the community owners and residents, not the city or county. This often includes a clubhouse, pool or playground. It is way to get a quality development with community amenities, increase housing density to provide more affordable housing without significant maintenance costs on the part of the jurisdiction.

<u>Development Agreements</u> – In cases of a rezone request to allow a MH Community to be developed, the jurisdiction can enter into a development agreement placing conditions on the MHC. The agreement can be terminated and the zoning designation reversed if the owner does not follow through on the conditions set. *IC 67-6511A*

Special or Conditional Use (SUP or CUP) – A jurisdiction's zoning ordinance can anticipate areas in which a MHC can provide affordable housing by allowing them as special use (SUP) or conditional use (CUP) in certain zones or to allow the placement of single-wide manufactured homes on sub-standard sized lots that exist or in neighborhoods where this might be appropriate. IC 67-6512

<u>Planned Unit Development (PUD)</u> – PUD's are a tool that basically lifts a piece of land from the underlying zoning and its requirements imposed by the zoning ordinance to provide for a variety of residential, commercial and other land uses to exist on one piece of land. This tool can be used to give more control by the jurisdiction on the design and impacts of the development. *IC 67-6515*

17

17

<u>Subdivisions</u> – Manufactured homes are allowed by law to locate anywhere a site-built house can go (with certain requirements), and many jurisdictions have considered manufactured home subdivisions. These are no different from a normal subdivision and must follow the same requirements to develop. As in any other subdivision the jurisdiction maintains public infrastructure.

<u>Condominium</u> – Similar to both a MHC and a subdivision, this option can allow for the ownership of individual lots or leave the land under one ownership but can leave the interior infrastructure maintained by a conglomerate of the owners within the complex. These would be allowed anywhere that the jurisdiction allows condominiums and/or multi-family dwellings.

<u>Accessory Dwelling Units (ADU's)</u> – MH's can be as small as 320 sq feet and can easily be moved into back and side yard areas where allowed. ADU's are now being considered as a way to provide less expensive rental housing for both related and non-related residents. Manufactured homes can play an important role in the cost and speed that an ADU can become available.

PREVENTING NIMBY (NOT IN MY BACKYARD)

Alleviating Concerns

These development options can serve to alleviate concerns from surrounding landowners and the public but giving them more education and information upfront through the public process.

Standards and Conditions

All of these development options will allow the jurisdiction to place identified conditions such as location, design, and maintenance on the development of MHC's to address concerns of the surrounding landowners and the public.

Public Input

The extra steps in these options gives surrounding landowners and the public an opportunity for input that can help direct conditions upon the development to alleviate any negative consequences or perceptions.

19

19

PREVENTING NIMBY - OTHER CONSIDERATIONS

Construction

Manufactured Homes are typically less expensive than a site built home not due to poorer quality but rather to the method these home are built under. But because these homes are built on an assembly line, labor and material costs go down and overall quality and consistency goes up.

Maintenance

A jurisdiction can use your zoning and enforcement powers to set standards for maintenance within MHC's.

Sense of Community

MHC's provide a sense of community for many vulnerable populations, including seniors. They can offer amenities such as a club house, pool or playground. They can offer additional safety as residents and onsite managers get to know each other and can monitor any suspicious activities.

2

PREVENTING NIMBY -ONE MORE CONSIDERATION

Design Features

The majority of manufactured homes are custom ordered and contain the same quality amenities as site-built homes including hardwood floors, marble counters, high end features, wood siding and more.



21

Reaching Your Affordable/Workforce/Student Housing Goals

There are many options available to a jurisdiction in meeting your housing goals by incorporating manufactured housing into your plans.

- Look carefully at your zoning and other land use ordinances to determine
 if there are hidden obstacles to alternative types of housing
- Amend your codes to allow for flexibility in housing types for instance, single sectional manufactured homes could be allowed as a housing type in all neighborhoods, either outright or by conditional use.
- Encourage housing/land developers to consider options such as manufactured home subdivisions, manufactured home communities or planned unit developments to bring in quality manufactured housing options in increase the inventory of affordable housing in your jurisdiction.
- Experiment! Across the county cities and counties are looking into development or purchase of manufactured housing communities to expand affordable and/or workforce housing options. For example, the City of Boise purchased a MHC in the past year as part of their affordable housing program.
- Utilize your housing authorities and state housing resources to encourage investment in alternate types of housing for your community.

22



