



## MANUFACTURED & MODULAR HOME ASSOCIATION OF MINNESOTA

*Opening doors to better living.*

May 5, 2020

Dear Members of the House Commerce Committee:

Thank you for the opportunity to provide comments on behalf of the 300 members of the Manufactured and Modular Home Association, MMHA, regarding HF 3625. The bill makes minor changes to a 2019 law change allowing single-family modular homes to be placed in manufactured home communities to include two-family modular homes and modifies the collection timeline for the Manufactured Home Relocation Trust Fund annual fee of \$15 from 90 days to 60 days. There is no opposition to these changes.

The MMHA was formed in 1951 and represents manufactured home factory-builders, manufactured home park communities, sales centers, lenders, developers, and suppliers to the manufactured home industry. The MMHA works to promote quality housing that is affordable, encourages a level playing field in expanding affordable housing, and educates its members on new home building technologies and best industry practices.

HF 3625 expands on the 2019 law change by allowing the option a two-family modular home, more commonly referred to as a duplex design on larger lots. The intent is to continue addressing the state's shortage of workforce housing by utilizing innovative designs that modular homes offer. The Federal Building Code that regulates manufactured homes, (HUD Code), specifically permits construction of single-family homes. Modular homes are constructed to the Minnesota State Building Code built in the same plants as manufactured homes, both are regulated by the Minnesota Department of Labor and Industry and inspected by local building officials.

The 2019 law change had the support of the League of Minnesota Cities and involvement of the Minnesota Department of Labor and Industry in drafting the definitions. HF 3625 retains an important provision agreed to by stakeholders allowing local control over accepting or rejecting the use of modular homes in a manufactured home community in meeting local requirements.

The League of Minnesota Cities and Department of Labor and Industry are not opposed to the change; there is no opposition to the bill, it is simply one more option in addressing the shortage of quality workforce housing and updating older manufactured home parks in meeting changing demographics trend and housing needs.

The other provision in the bill makes a minor change the payment date of the \$15 annual fee for Manufactured Home Relocation Trust Fund from 90 days to 60 days. Prior to 2019, the collection period was 30 days, the 2019 change expanded it to 90 days, the bill moves it to 60 days. It was determined during the 2019 collection cycle this past fall that the 90 day window was too long, requiring manufactured home community owners to spend one quarter of the year collecting a \$15 fee that is easily paid by residents within 60 days. There is no opposition to this change.

Today's manufactured homes are the nation's leading provider of non-subsidized affordable housing, and account for nearly 15 percent of all new single-family homes sold in Minnesota. The industry in Minnesota employs over 3,000 workers at 1,500 mostly small businesses, with an economic impact approaching \$1B on the state's economy. Eighty percent of new manufactured homes sold in the state last year were affixed to real property and financed with traditional mortgages. For those homebuyers unable to afford their own lot, the remaining 20 percent of the new manufactured homes were placed on leased land, in one of Minnesota's 900 licensed manufactured home communities. Over 100,000 Minnesotans reside in manufactured homes.

Manufactured homes are meeting an important need for workforce housing, not only in Minnesota, but throughout the nation. For thousands of Minnesotans, particularly lower-income people and underserved populations, manufactured homes represent the difference between joining the ranks of those realizing the American dream of homeownership versus remaining perpetual renters.

The MMHA appreciates the Committee's consideration of HF 3625 and encourages its passage. Thank you.

Sincerely,



Mark Brunner  
President