

# Creative Affordable Housing Solutions: Today's Manufactured Homes

*A Beginner's Guide to Manufactured Housing Done Right®*

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# Manufactured Housing Done Right®

Our **mission** is to put sustainable homeownership within reach of everyone while transforming the manufactured housing industry through consumer education, affordability, and energy efficiency.

- Prepared and supported homebuyers;
- ENERGY STAR® homes on permanent foundations;
- Reduced total cost of homeownership, including lower operating, maintenance, and utility costs;
- Fair loans that enable families to earn wealth and preserve assets; and
- “A Home is a Home” policy commitment advocating for homeowners’ rights and the removal of unfair stigma and stereotypes.



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# Our Big Vision

We will go from a system that sells and finances homes on retail lots to one where prepared and supported homebuyers can shop online, access fair and equitable loan options, and purchase homes in vibrant, diverse neighborhoods.



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# Strategies to Achieve Vision

Key Strategies –  
*Driving innovative, scalable and catalytic change*

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Empowered  
Homebuyers

Policy  
Change

New Sales  
Ecosystem

Zero Energy  
Ready Homes

Housing Equity



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# Housing Comes In Many Different Shapes, Sizes, Locations and Prices

Detached &  
Attached  
(Townhome)

Rental Apartment

New Factory-Built  
(Manufactured)  
Housing

Condominium

Cooperative

Subsidized



# Defining home types.

Factory-built or off-site built home.

- Umbrella term.

Manufactured home.

- Single-family residential dwelling.
- Built to a national construction standard (HUD Code).
- Single- or multi-section.

Modular home.

- Built to a local or state building code.

CrossMod™ home.

- Higher-quality manufactured home with site-built features and finance options.



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# Comparing Off-Site Built Home Categories

Have you ever wondered, what is the difference between a manufactured, modular or CrossMod™ home? When it comes to classifying off-site built homes, deciphering between the terms and lingo can be confusing. Use this quick break down to discover what makes these three types of homes different.



**MANUFACTURED HOMES**

- Off-site Built Construction
- HUD Federal Code
- Ground Anchor or Permanent Foundation
- Manufactured Housing Financing
- Limited Zoning Opportunities
- Appraises to MH Comps
- Standard MH Features and Characteristics
- On Frame



**CROSSMOD™ HOMES**

- Off-site Built Construction
- HUD Federal Code
- Permanent Foundation
- MH Advantage® or CHOICEHome<sup>SM</sup> financing
- Moderate Zoning Opportunities
- Can Appraise to CrossMod™ and Site-Built Comps
- Features and Characteristics Similar to Site-Built
- On Frame



**MODULAR HOMES**

- Off-site Built Construction
- International Residential Code, State and Local Codes
- Ground Anchor or Permanent Foundation
- Manufactured Housing or Conventional Financing
- Moderate Zoning Opportunities
- Can Appraise to MH, Mod and Site-Built Comps
- Features and Characteristics Similar to Site-Built
- On and Off Frame



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<b>COSTS</b>	<b>SITE-BUILT HOME</b>	<b>FACTORY-BUILT</b> (Land+Home Mortgage)	<b>FACTORY-BUILT</b> (Land+Home Chattel Loan)	<b>HOME ONLY</b> (Chattel Loan)
<i>Cost per sq. ft</i>	\$136	\$80	\$80	\$80
<i>Cost of average house</i>	\$391,500	\$229,800	\$229,800	\$147,300
<i>Down payment and closing costs</i>	\$21,000	\$12,500	\$15,800	\$10,000
<i>Mortgage amount</i>	\$370,500	\$221,300	\$214,000	\$137,300
<i>Median interest rate</i>	4.1	4.9	N/A	8.6
<i>Monthly housing costs</i>	\$2,315	\$1,464	\$2,129	\$1,864



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# Consider Manufactured Housing



Cost-Effective to Buy: at least 30% less than site-built home



Cost-Effective to Own: Energy-Star home with monthly energy savings



Safe and Durable: Built to Federal standards (HUD Code); and independently inspected throughout construction



Attractive: Customized to meet your needs with latest features and finishes



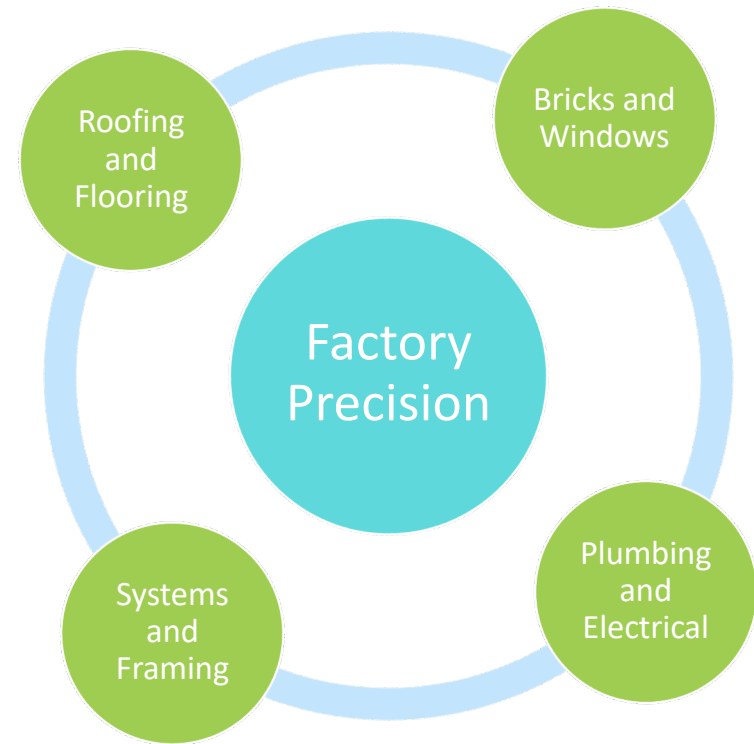
A Sound Investment: With land ownership and a conventional mortgage, appreciates similarly to conventional homes

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# Understanding Factory-Built Homes

## Elements of Factory-Built Homes

- Controlled environment.
- Skilled tradesmen.
- Rapid completion.
- Modern designs.
- Energy and safety features.
- Multiple inspections.

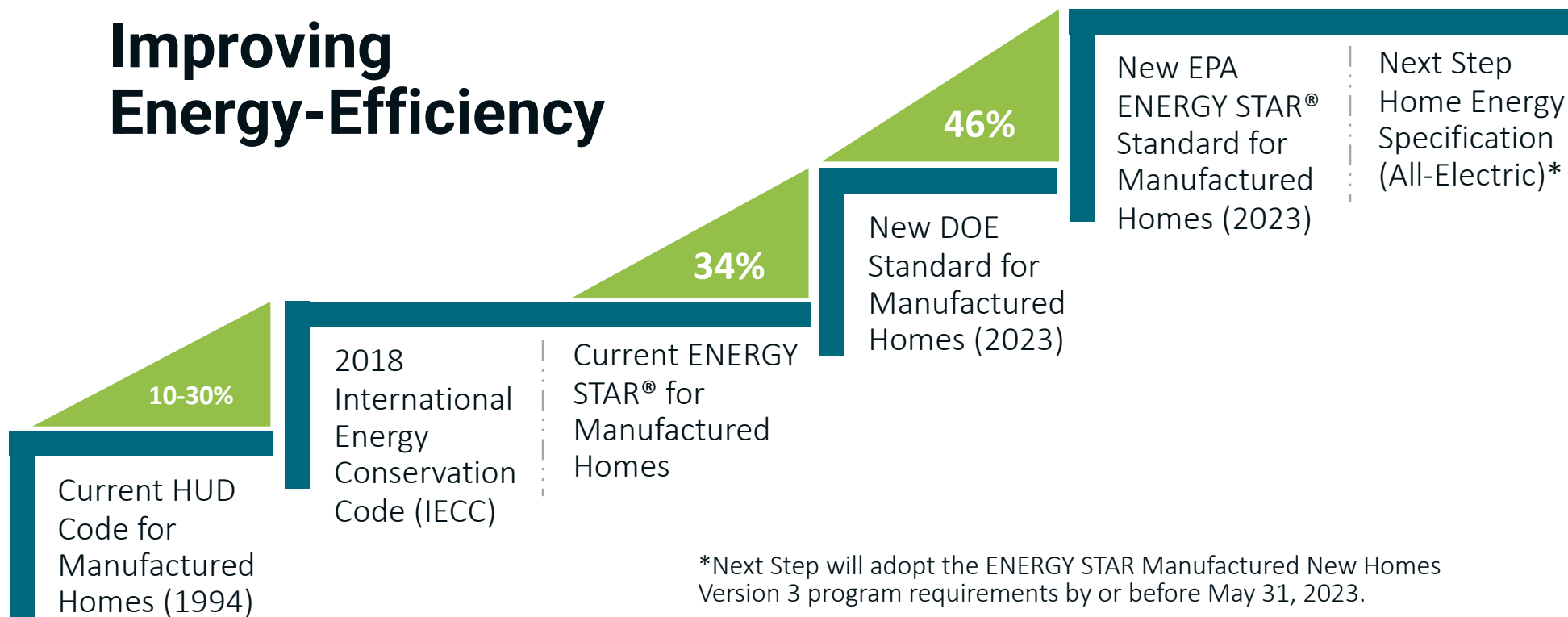


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# Improving Energy-Efficiency



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# Next Step's Model

- Highest quality standards:
  - FHA Title II permanent foundation, ENERGY STAR-certified, drywall throughout, minimum 5/12 roof pitch, all-electric, universal design.
  - Qualify for mortgage finance offered by Fannie Mae and Freddie Mac.
- Partnership with national and local housing counseling partners to support prospective buyers and create a pipeline of qualified buyers.
- Consulting services to mission-aligned developers looking to leverage high-quality MH in projects.



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# Working with Next Step

- Consulting services for mission-aligned housing developers.
  - Deliverables
    - Introduction to key partners to move the project forward.
      - Manufacturers, lenders, counseling agencies.
    - Assistance with retailer license in the state(s) you are working to purchase directly from the factory.
    - Developer training around manufactured housing.
    - Zoning toolkit
    - Presentation development for local municipalities.
    - Additional tools and resources.



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# Challenges to Inclusive Manufactured Housing Zoning

- Zoning is an inherently local issue.
- Outdated terminology contributes to stigma/stereotypes.
- Jurisdictions can discourage in other ways:
  - Lot size and parking space minimums.
  - Architectural design standards.
  - Onerous approval processes, permitting, and fees.
- NIMBYism.



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# Solutions to Zoning Challenges

- Active local partnerships.
  - Takes lead time.
- Coalition building.
- Visual-forward educational materials.
- A plan to engage key local policymakers (e.g., Office of Planning and Zoning, City Council).



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# New, Fee-Simple Subdivision Development | Hagerstown, MD

- 241 single-family, CrossMod homes on 5,000 sq. ft. lots.
- Meets Enterprise Green Community specifications.
- No zoning resistance.
  - Local zoning officials recognized the product as a single-family development solution.



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# Infill Housing Solutions | San Bernardino, CA

- Partnership with a trusted community organization (NPHS).
- City subsidized land and development costs.
- Attention-to-detail on home design and aesthetics.
- CA has proactive zoning measures to encourage MH.



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# Planned, Mixed-Income Development | Harrisonburg, VA

- Partnership with Harrisonburg Redevelopment and Housing Authority.
- 900 housing units with service-oriented commercial space; ~100 CrossMod.
- Zoning hurdles:
  - 6-0 approval from planning and zoning.
  - 3-2 approval from City Council.



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# PRICE Fund

The Preservation and Reinvestment Initiative for Community Enhancement Fund.

- \$225 million to preserve and revitalize manufactured homes and communities that will be administered by HUD's Office of Planning and Community Development (CPD).
- Competitive grants (states, local governments, Tribes, nonprofits, CDFIs, resident-owned manufactured home communities or cooperatives).
- Opportunity to address aging infrastructure in communities, infill housing in communities, and replacement of aging mobile homes.



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Next Step Network, Inc.

# Pro Tips for Working w/ Clients

Provide your clients with the best solutions for their situation

This is an affordable option for some, but not all

Not all clients are good candidates for Manufactured Homes

Not all homes meet Next Step's quality standards



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# Empowered Homebuyers

- Drive consumer demand by bringing awareness of manufactured housing options
- Integrate transformative education and outreach materials about manufactured housing into multiple channels, including existing online homebuyer education platforms, government agencies, and private trade associations.
- Create intentional partnerships with counseling intermediaries.



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# Building an Ecosystem Around the Client



Counseling & Education  
embedded throughout the  
buying process



Identifying Banks/Lenders  
who support HBE



Dream Team: Housing  
Counselor, Real Estate  
Agent, Developer & Lender)



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# Helping Consumers Understand Financing

Understand the key differences between financing a site-built home and a newly manufactured home

- Mostly the same
- Land Home or Home Only
- Sources of financing and where you get your loan might be different (GSE, FHA, dealer, private lender, HFA, nonprofit)



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## Next Step Resource Library

<https://nextstepus.org/resources/>

Professional

Homebuyer



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## Next Step Contact

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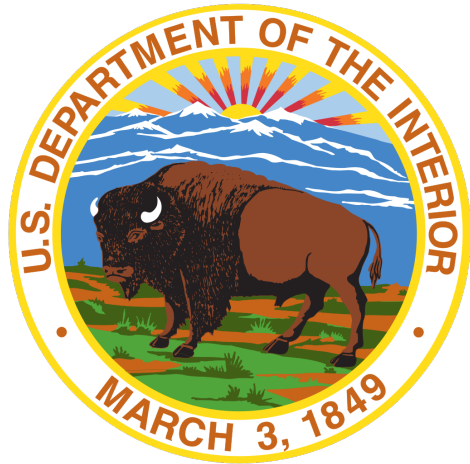


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