

Home on the Road

Volume 1 No. 1

April, 2005



New Voice for Factory-built Housing

West Virginia Housing Institute formed

CHARLESTON – Separate housing industry groups have merged to form a partnership to promote the future of factory-built housing in West Virginia.

The West Virginia Housing Institute Inc. is the successor organization to the West Virginia Manufactured Housing Association and the Mountain State Manufactured Housing Association. The new headquarters is located on the second floor of a magnificent old house at 1118 Kanawha Blvd E, Charleston.

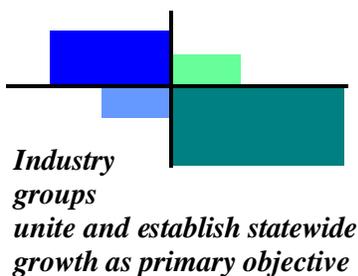
“The time was ripe for these two groups, with identical backgrounds, to band together in one trade association,” said Co-President Kevin Wilfong, head of Middletown Home Sales of Fairmont.

“Because of the importance of our industry in providing affordable, quality-built housing to first-time home buyers, those looking toward retirement, and our expanding middle market, we saw this as a good fit,” said Co-President Steve Brown, head of The Home Shows of Hurricane.

Membership in the Housing Institute includes factory-built home retailers, manufacturers, suppliers, contractors, housing community owners, installers, financial institutions, service companies, law firms and others interested in the factory-built home industry in West Virginia, more than 300 in all.

Serving as executive director of this dynamic group will be A. V. “Andy” Gallagher

Continued on page 3



Annual convention set for Aug. 9-11

The West Virginia Housing Institute Inc. is proud to announce its first annual statewide convention planned for Aug. 9-11 at the beautiful Stonewall Jackson State Park and Resort in central West Virginia.

Located just off Interstate 79 near Roanoke, W.Va., the resort offers a world of pampering and luxury that is “Close to Nature...Far From Ordinary.”

Continued on page 2

Highlights of WVHI Annual Convention

When: August 9—11, 2005
Where: Stonewall Jackson State Park and Resort
Roanoke, WV

Register Now! Call WVHI offices at (304) 346-8985

Annual Convention set for August . . .

Continued from page 1

Make plans to attend. It's going to be the beginning of a great rebirth in the industry.

State Lawmakers Invited

Gov. Joe Manchin; Senate President Earl Ray Tomblin, D-Logan; and House Speaker Bob Kiss, D-Raleigh, have been invited to address the assembly. A host of regional and national topics regarding local and statewide issues are expected to be addressed during the three-day event that will also include lots of free time for families to enjoy this premier state park destination.

"We expect the group to begin considering the legislative agenda the West Virginia Housing Institute will put forth when lawmakers convene in Charleston next January", said WVHI Executive Director A.V. Gallagher. "It's never too early to plan for the future and prepare for the Legislature," he continued.

"We expect ... to begin considering the 2006 legislative agenda...."
-- Andy Gallagher

Stonewall Resort is the newest addition to West Virginia's famed state park system. Situated on a huge lake, the resort contains a major conference center with dining facilities, exciting guest rooms and beautiful wood cabins nestled near the lake's perimeter.

Activities for the Entire Family

The WV Housing Institute will sponsor a golf tournament that will take place on Thursday morning on the luxurious Arnold Palmer 18-hole championship golf course adjacent to the main lodge. Other anticipated activities will include a dinner cruise on the lake and free-time family activities including watercraft and rental houseboats, indoor and outdoor pool facilities, fitness center, spa and salon services. Hiking and horseback riding also are available.

The Stonewall Jackson State Park and Resort is located three miles off Interstate 79 at exit 91 and within a short driving distance from anywhere in West Virginia and most border states.

Don't be left out on this exciting opportunity to meet and network with other factory-built housing professionals. A block of rooms has been reserved for your convenience.

Register Now!

Please contact Beth O'Dell, deputy director of the West Virginia Housing Institute for further information and registration information. Beth can be reached at (304) 346-8985 or at beth_wvmha@verizon.net. The officers, board of directors and office staff cordially invite you to attend, don't be left out, call for more information today.



Housing Institute Formed . . .

Continued from page 1

of Charleston, a longtime lobbyist and ex-newsman at the state Capitol.

“DEP was designed to be a permit-issuing agency to foster economic development in the state, but often we were industry’s worst enemy with endless bureaucratic regulations and mind-numbing controls,” said Gallagher, who also acted as spokesman for DEP during the four years he worked for the state.

Gallagher is a graduate of Marshall University’s College of Graduate Studies and West Virginia University. He was reared in Greenbrier County and lives on Charleston’s West Side.

Gallagher immediately threw himself into his job, calling all the state members to introduce himself and having legislation sponsored to help the industry.

Federal 2000 Census figures showed 146,000 people in West Virginia live in factory-built housing, a 25 percent increase over the 1990 figure. On the average, factory-built homes cost a fourth of what a site-built home costs.



**Andy Gallagher, WVHI
Executive Director**

2005 Legislative Highlights and Update

WVHI Executive Director Andy Gallagher reports on 2005 West Virginia legislative activities affecting WVHI members and the state’s manufactured housing industry.

April 14, 2005

West Virginia Housing Institute does well in 2005 legislative session

Members of the manufactured housing industry in West Virginia did well during the 2005 legislative session, avoiding a major punitive bill aimed at the trade, a tax increase, and a yearlong legislative study to see if enough is being done for customers.

They successfully supported Gov. Joe Manchin’s “cure” bill, which should help remedy problems before they turn into litigation and backed legislation to clarify last year’s law dealing with tenancy removal rights.

A bill to end restrictions against the placement of factory-built homes failed because the clock ran out on the session, but it will be introduced again in 2006.

The Institute sought to have a vacancy filled on the Board of Manufactured Housing Construction and Safety, but it did not happen.

“The session should serve as a wake-up call to all of us that we need to make sure we are providing the best products in a way that is pleasing to our customers,” said Kevin Wilfong, co-president of the West Virginia Housing Institute Inc., which is the legislative arm of the industry.

“We did well this year and will build upon that good start in the future,” agreed Steve Brown, co-president of the Institute.

Continued on page 4

House Bill 2826

Because of the complaints of a resident of Shady Springs, Raleigh County, legislative leaders introduced a bill (House Bill 2826) that would have placed severe new restrictions on the industry.

Fines limited to a maximum of \$1,000 now would have been set at a minimum of that amount and allowed to go up to \$1 million. Restrictions against using bond funds for punitive damages, personal injury or inconvenience, reimbursement for alternative housing or attorneys fees and other items would have been lifted under the bill.

The measure would have reduced from 60 to 30 days the time when the Division of Labor's Manufactured Housing Construction and Safety Board would have to make an inspection based on a complaint; and proposed to reduce from 90 to 30 days the time the board would have to order corrective action.

It would have outlined in law a whole table of potential defects, including cracks, bows to walls, misaligned corners, swags, improperly installed carpets "and any other defect that may impair the cosmetic appearance of the manufactured home."

Senate Bill 194

Working with officials at the Housing Development Fund in Charleston, the industry removed a proposed \$20 tax on all factory-built home sales envisioned in another bill (Senate Bill 194).

The Institute then supported provisions of the same bill that would give it a place on the board of directors of the West Virginia Affordable Housing Trust Fund.

The fund is designed to help provide housing for low- to moderate-income West Virginians.

"Industry representatives should consider whether to support the \$20 fee in the future since it could help raise \$1 million to match \$3 million in federal assistance for housing, much of which would be expected to come back to the factory-built housing industry," said A.V. Gallagher, executive director of the Institute.

House Concurrent Resolution 101

The legislative study (House Concurrent Resolution 101), put together at the behest of Delegate Linda Sumner, R-Raleigh, was co-sponsored by 96 of the 100 members in the House of Delegates. It also was in response to the same complaint that resulted in HB2826 and erupted when HB 2826 was not acted on by the Legislature.

The study was "to determine whether there is a need to provide additional remedies to purchasers and owners of manufactured housing for latent defects, substandard installation and breach of warranties." If approved by the House, which it was not, the measure would have required a report and proposed legislation to be provided to the Legislature in 2006.

Senate Bill 456

Administration-backed legislation (Senate Bill 456) aimed at giving retailers adequate time to correct, or "cure" defects, was supported by the Institute and should help all members.

Under the bill, the consumer is barred from filing a lawsuit over a defect unless he or she notifies the seller or lessor in writing and gives the person 20 days in which to make a "cure" offer. If the offer is made and accepted, then the cure must be done.

"Where an action is brought pursuant to the provisions of this section, it shall be a complete defense that a cure offer was made, accepted and the agreed upon cure was performed," it said. The seller or lessor then might be able to recover his or her attorney fees.

Senate Bill 691

A separate bill (Senate Bill 691) was written to clarify a law enacted last year dealing with tenant rights and evictions at factory-built home sites. The state Supreme Court interpreted the 2004 law to effectively give a tenant six months in which to vacate the site and court officials had instructed magistrates around the state as to those time limits.

The bill said either side may terminate the tenancy of a site "by giving at least three months' notice in writing." It clarified the termination period is 90 days.

Continued on page 7

The Podium



Why study the ones who are helping?

By Steve Brown

Co-President of the West Virginia Housing Institute Inc.

Two things frustrated me about the 2005 Legislature and both reflected negatively and unfairly on the factory-built housing industry.

They are House Bill 2826 and House Concurrent Resolution 101. The former would punish the industry severely and the latter would have sparked a legislative investigation aimed at whether protections need to be enhanced to save consumers from the industry.

Fortunately, neither was enacted. It is significant House Speaker Bob Kiss, D-Raleigh, sponsored HB2826, and was a co-sponsor with 95 others in the 100-member House of Delegates of HCR101. The resolution was prepared at the behest of Delegate Linda Sumner, R-Raleigh.

The bill and the resolution both stemmed from repeated complaints by a Raleigh County man over what he claims is a defective factory-built home. This man exhausted his case through state regulators, where he was fully heard; has had \$11,000 in repairs done by the manufacturer; and still owes the retailer \$7,000. *Where does it all end?*

These things bother me because they both stem from a complaint by a single consumer. Why should the entire industry be punished for one case?

Why would legislators sign this resolution, which would burden us with legislative inquiries for a year, when most know nothing about the importance of our business to West Virginia?

Instead of a punitive expedition, a study ought to be done about the positive effects our industry has. We lead the nation in the number of privately owned homes. Our industry provides up to 65 percent of that housing each year.

I am wearied by critics who do not understand the changed nature of our industry and our product.

We are harshly regulated by miniscule inspections, fines over paperwork, and an endless series of what I call petty harassment that state regulators impose upon us. Why not investigate myriad regulations that are burdensome and do not assist buyers?

I welcome Gov. Joe Manchin's "cure" bill (Senate Bill 456) as a step to assist businesses in West Virginia and encourage dialogue, not litigation, between buyer and seller. It's time the pendulum swung in the other direction.

Manchin is a blast of fresh air in the governor's office.

The Legislature should not waste taxpayer funds or its own time with a study aimed at belittling our industry and allegedly improving conditions for consumers.

I take this personally.

Along with 200 of employees, this is my livelihood. And that is just a fraction of it. Our immediately related and spinoff work, including truckers, site contractors, service contractors, banks that make housing loans, insurance companies that insure homes, real estate brokers, title companies and lawyers who close on land-home deals, account for tens of thousands of high-quality, good-paying jobs with benefits.

We are a backbone industry, not as visible, but I would bet every bit as important, as the coal industry. It is time for us to quit hiding our candle under a bushel.

If government ran like our business, West Virginia would be one of the best states in the nation in which to live and work. We wouldn't say, "Thank God for Mississippi."

We take pride in taking care of our customers. We have a one-year warranty on all of the homes we sell and have some of the best people in the industry nationwide working here in West Virginia. We're happy to prove it for a positive study.

"I am wearied about critics who do not understand the changed nature of our industry and our product."

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Legislative Highlights...

Continued from page 4

House Bill 3088

WVHI worked with Municipal League and county officials to craft a bill to end discrimination by counties and cities in the placement of factory-built homes. Introduced March 17, the measure was approved by two committees in the House, but did not have sufficient time to pass this year. The bill sought to end zoning discrimination simply on the fact a dwelling was a factory-built home.

House Bill 2718

The Legislature approved minor rule changes (House Bill 2718) submitted by the Board of Manufactured Housing Construction and Safety in August 2004.

House Bill 2449

Lawmakers overwhelmingly continued the life of the Board of Manufactured Housing until 2011 in another bill (House Bill 2449).

Nominee

The Institute nominated Judy Ritchie of Elkins, with the Home Show of Elkins, to be its replacement on the five-member regulatory Board of Manufactured Housing to replace Delegate Tim Manchin, D-Marion, and a Fairmont lawyer, whose term expired June 30, 2004.

Steve Solomon of Morgantown, co-owner of Solomon Homes, doing business as American Homes, submitted his own name for nomination.

Gov. Manchin did not act on either, but the Institute hopes the governor can be persuaded to support Solomon's nomination if the Legislature meets in special session this fall.

Legislators and factory-built housing officials mix



Top Left Photo — The WVHI Team Greets Guests (from left to right) — Kevin Wilfong, Co-President; Andy Gallagher, Executive Director; and Steve Brown, Co-President.



WVHI Display Exhibit to right.

Cabinet Secretary Robert Ferguson (left) with Steve Brown.



CHARLESTON—Dozens of lawmakers and members of the factory-built housing industry mingled at a legislative reception hosted by the West Virginia Housing Institute, Inc. in Charleston on March 1.

“The meeting gave us an opportunity to meet and greet people who will be making decisions in the future about our economic life,” said Steve Brown, co-president of the West Virginia Housing Institute, Inc.

“We had a good mix of people from our industry and those from the Senate and House of Delegates at the event,” said Institute Co-President Kevin Wilfong.

Among those in attendance were Senate Judiciary Committee Chairman Jeff Kessler, D-Marshall, and House Political Subdivisions Committee Chairman Bill Proudfoot, D-Randolph. Legislation sought by the West Virginia Housing Institute Inc. was successfully approved in both committees this year.

About an equal number of Democrats and Republicans in the state Senate and House of Delegates turned out for the buffet affair to discuss factory-built **housing issues** and to listen to the music of Charleston jazz specialist Bob

Top Right Photo — John Teare (right) with WVHI Board Member Tom Belasco.



Bottom Right — Board Members Bill Owen (left) and Roger Roy.



Above — George Gunnell with Delegate Christopher Wakim, R - Ohio (center) and Andy Gallagher, WVHI Executive Director.



Photo Above — WVHI Treasurer George Gunnell (left) and Delegate Bill Proudfoot, D - Randolph.



Photo above —George Gunnell and Delegate Brady Paxton D - Putnam (right).



Bottom Right Photo — Delegates Dale Martin, D - Putnam (left) and Rick Thompson, D - Wayne.



Manufactured Housing Industry Stats

The retail market continued sluggish in West Virginia as the new year of 2005 began.

January overall unit sales were 79, down 58 percent on January 2004 sales of 188 units, according to the Manufactured Housing Registration Report West Virginia January 2005, compiled by Statistical Surveys Inc. of Grand Rapids, MI.

Multiple and extrawide sales for the month were 64, compared to 152 in January 2004, or 57.9 percent fewer. Singlewide and 16wide stood at 15 for the month, compared to 36 the previous year, or 58.3 percent less.

The figures show dealers in the February 2004-January 2005 period received 2,458 shipments, of which 1,531 were multiplewides.

The top 10 companies for sales in January were:

• Oaktree Estate Inc., Martinsburg,	9	(4 singlewides)
• AAA Mobile Homes, New Martinsville	6	(1 singlewide)
• Eden's Fork Home Place, Charleston	4	
• J & J Homes Inc., Reedsville	3	
• Middleton Home Sales, Fairmont	3	
• Oakwood Mobile Homes Inc., Daniels	3	(2 singlewides)
• Quality Manufactured Homes, Summersville	3	
• Rankin Mobile Home Sales, Martinsburg	3	
• The Home Show, Buckhannon	3	
• The Home Show, Danville	3	

The top 10 counties for sales in January were Berkeley, Kanawha, Raleigh, Wetzel, Nicholas, Boone, Jackson, Marion, Preston and Upshur. Of those, Berkeley and Preston were the only counties to exceed January 2004 sales. Berkeley was double at 14 and Preston had three sales compared to one during the same period last year.

Here are the counties and comparable sales in January 2005 and January 2004:

Berkeley	14	7
Kanawha	11	56
Raleigh	8	15
Wetzel	6	4
Nicholas	4	14
Boone	3	--
Jackson	3	5
Marion	3	18
Preston	3	1
Upshur	3	4

Published by
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