



WEST VIRGINIA
HOUSING
INSTITUTE INC.

HOME ON THE ROAD

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HOUSING INSTITUTE OPPOSES 13 PERCENT IMPACT FEE INCREASE

CHARLES TOWN -- The West Virginia Housing Institute Inc. opposes a nearly 13 percent increase in the cost of locating a factory-built house in West Virginia's easternmost county.

The Jefferson County Commission wants to increase the county's impact fees from \$8,597 to a total of \$9,880 as of Dec. 1, according to F. Mark Schiavone, impact fee coordinator in Charles Town.

The fee is levied by a county for locating a factory-built home or building a house. It offsets the impact on the cost of schools, protective services and recreation.

"We believe they are discriminatory as designed and that they are intended to exclude our homes from Jefferson County and to put excessive pressure on rental communities that were operating before the first fees were imposed," testified AV Gallagher, executive director of the Institute.

The effect of the fee is felt disproportionately by our customers rather than a person able to fund a \$350,000 and up house.

"We believe this increase will further limit affordable housing and will discriminate against a wide range of people who would

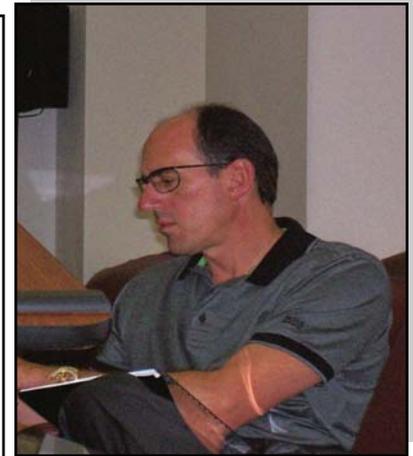
like to locate to your county," Gallagher testified at a public hearing held by the commission in October.

For rental communities, which made their investment before the original fees were enacted, it is a retroactive tax that hits them each time they move one home out of their community and another in, Gallagher said.

Fee would
increase to
\$9,880 on
Dec. 1

Schiavone disagreed. "The ordinance expressly permits exemptions from impact fee payment when one habitable dwelling unit is being replaced with another, as is commonly the case in a mobile home park. The only condition is that the unit to be replaced must have been in a habitable condition within the past year - dated from the time of building permit application for the replacement dwelling. My department has actively worked with a number of mobile home park owners ... to ease the process of documenting habitability when swapping units in a park. Indeed, some 12 percent of all building permit applications have been for such exemptions."

(Continued on page 7)



Steve Solomon on regulatory board

Industry Rep on Board

CHARLESTON -- Morgantown factory-built housing retailer Steve Solomon has been appointed by Gov. Joe Manchin to the state board that regulates the industry in West Virginia.

Solomon, owner of American Homes in the university city and a longtime retailer, is the sole industry representative on the six-member West Virginia Manu-

(Continued on page 7)

CONGRESSMAN, HOUSE SPEAKER MEET WITH INSTITUTE OFFICIALS



Rep. Nick Rahall, D-W.Va.

BECKLEY -- Rep. Nick Rahall, D-W.Va., and House of Delegates Speaker Bob Kiss, D-Raleigh, addressed officials of the West Virginia Housing Institute Inc. meeting in Beckley in October.

Rahall joined the board of directors' meeting, sitting informally at

the table with board members. He spoke on issues concerning the industry and took questions from board members.

The congressman expressed his concern for affordable housing availability in West Virginia and assured the board of his continued

commitment to support the manufactured housing industry.

Discussion focused on House Bill 2803, which Rahall has co-sponsored, to make more affordable mortgage money available from

(Continued on page 3)

Absolutely Meaningless Paperwork or Is It?

By Mitch Woodrum

Director, Manufactured Housing Section DOL



Mitch Woodrum

A consumer walks into my office and says “I want to buy a home today”. Am I going to sell them a home without a purchase agreement? Absolutely not. This written agreement will verify exactly what is being purchased. But wait a minute; have I put the cart in front of the horse? Absolutely. The very first step required is an initial home placement evaluation (10B.4.). So I checked the site where the consumer wants their home installed for accessibility, proper soil compaction and whether the site can be improved for proper drainage.

The soil compaction met the minimum standard required by the manufacturer but the site needs some dozer work and trees cleared away in order to deliver a home regardless of its size. I documented the results on a 10B.4. form, signed, dated and had the consumer do likewise. I made him a copy back at the office and put the original in our home file.

I sat down with the consumer and we decided what work each of us will do before the home can be delivered. Should this be put in a written form? Absolutely. The second step required is a written agreement specifying each party’s installation obligations (10B.3.). The consumer told me his cousin has the equipment and will do the site preparation work, tree removal and the digging and pouring of the footers. I offered and the consumer agreed for me to perform all other aspects of installation except for the final grade and water control. I documented this on the 10B.3. form and put the original in our home file.

The consumer’s home was delivered to my lot today and I am ready to have it transported to the site and installed. Should I do anything else before the home is installed? Absolutely. Since the consumer’s cousin performed the site preparation work and footings the third step required is to inspect their work and document the findings (10B.5.). I inspected to make sure all their work was completed correctly and made sure any other work that could not be performed after we installed the home was completed. I documented this on the 10B.5. form, signed, dated and had the consumer do likewise. I made a copy and gave to the consumer and put the original in our home file.

The home has been installed for about ninety (90) days and I received a phone call complaining about cracked sheetrock. Do I tell the consumer it is a cosmetic issue and ignore the situation? Absolutely not. Since the consumer agreed to assume several aspects of installation the fourth step required is for me to conduct an on-site review (10B.6.) not less than sixty (60) nor more than one hundred eighty (180) days from installation. Since it’s within the timeframe it was a good time for me to kill two birds with one stone so I inspected all work performed by the consumer and found the ditch behind the house was completely filled with debris and diverting water under the home. I also noticed the consumer had not installed gutters. I documented this on the 10B.6. form, signed, dated and had the consumer do likewise. I told the consumer the home had settled due to water being around the footers and as a courtesy we re-leveled the home and repaired the crack in the sheetrock.

I guess now I have covered all the paperwork bases, right? Absolutely wrong. The fifth step required is for me to send a copy of the 10B.6. form and a letter, via certified mail, detailing my findings regarding the problems found during my on-site review and advise the consumer they need to address these problems immediately. I typed a deficiency letter, attached a copy of the 10B.6. form and mailed certified to the consumer.

You know what, having to complete and document all these site evaluations and inspections sure seemed meaningless but when the consumer filed a civil action against me for their home being out of level, I was glad I had my meaningful paperwork in order.

Regulators’ Corner

the federal Fannie Mae home mortgage program. Rahall also discussed at length Federal Emergency Management Agency efforts to move factory-built housing to Louisiana and the Gulf Coast to help hurricane victims.

"I was impressed Congressman Rahall found time in his busy schedule to not only come to our board meeting, but also to devote as much of his time to our discussion as he did," said Institute Co-President Kevin Wilfong of Fairmont.

Kiss addressed the first regional meeting held by the Institute. Both meetings were held at the state's Tamarack Center.

The father of twin boys, Kiss said he left his children with a baby-sitter so he could attend the regional meeting. During his talk, the speaker praised the industry for supplying housing in the state and said he supports the Institute's efforts.

He said he might sponsor the Institute's priority legislation for the 2006 session to end discrimination by towns and cities against our housing on the sole basis it is factory-built.

During a wide-ranging discussion, followed by a question-and-answer session, the speaker spoke not only about affordable housing, but reforms to the workers compensation system, tax relief, setbacks the Manchin administration faced with the recent loss of a statewide bond issue, and a host of other issues.

"Bob Kiss is one of the most-impressive, dynamic, intelligent and far-sighted speakers I have ever heard," said Institute Co-President Steve Brown. "As a tax lawyer and legislative leader, Bob blends key elements necessary to plan the growth of this state and for understanding problems unique to our industry."

Also at the regional meeting were Delegates Linda Sumner, R-Raleigh, and Ron Thompson, D-Raleigh, each of whom expressed support for the industry.



House of Delegates Speaker Bob Kiss

Code expert addresses Housing Institute leaders in Beckley

By Beth O'Dell

BECKLEY -- The president of the West Virginia Code Officials Association told factory-built housing leaders he supports legislation aimed at ending discrimination against their housing by towns and cities.

Bob Cannon, who is also chief of the Beckley-Raleigh County Code Enforcement Department, expressed optimism the bill will pass in 2006.

Everyone understands the need for aesthetically pleasing design for neighborhoods and that not all homes are appropriate for all neighborhoods, Cannon explained. But he acknowledged that rules and covenants should be equally applied to site-built and manufactured homes without prejudice.

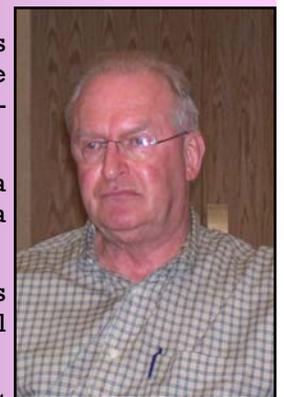
During a talk with the West Virginia Housing Institute Inc. board that was followed by a question and answer session, Cannon said he wants the industry to support homes with a 30-pound roof load in his district, as opposed to a 20-pound standard roof load.

His concern was for safety because of the heavy snows associated with the mountains in southern West Virginia, although he conceded the 20-pound roofs had withstood all previous winters without failure in design and performance.

Cannon presented himself as a friend of the industry, said its product was excellent and he knew of few problems with installation.

He was complimentary on the ease with which manufactured homes could be inspected by using the manufacturer's manual to ascertain how home should be sited and installed.

Cannon said he preferred three inspections for manufactured housing: one as footers are poured and / installation begins; second at rough-in as electrical/HVAC systems are "roughed in"; and third as work is completed before certificate of occupancy is issued.



Code Expert Cannon

In brief, ... state and national updates

Know the deadlines: you have 90 days

CHARLESTON – Mitch Woodrum, director of the Manufactured Housing Section of the state Division of Labor, reminds the membership:

State Code 21-9-11a. (b) requires a purchaser or owner to wait 90 days before taking civil action against one of our businesses. This would be from the date the state received the complaint.

“We are normally inspecting and issuing a correction letter within 30 days from receipt of the complaint therefore giving the licensee around 45 days to make the necessary repairs and satisfy the consumer,” Woodrum said.



Mitch Woodrum

House passes our Fannie Mae bill; White House says it opposes

WASHINGTON -- The House of Representatives has assed on a voice vote HR 1461 "Federal Housing Finance Reform Act of 2005".

Long sought by the manufactured housing industry, Section 126 of the bill would direct the governance boards of Fannie Mae and Freddie Mac loan programs to serve underserved markets, including manufactured housing by undertaking activities relating to mortgages on housing for low- and moderate-income families . The other markets are "affordable housing preservation" and "rural and other underserved markets".

The bill includes another industry-supported amendment that would make it clear the programs may include chattel or personal property loans secured by manufactured homes in their portfolio in meeting their mandated affordable housing goals and their duty to serve the manufactured housing industry.

The White House has warned it opposes the bill.

Capito joins Manufactured Housing Caucus



Capito

WASHINGTON — Rep. Shelley Moore Capito is the latest member from West Virginia to join the Manufactured Housing Caucus in the U.S. House of Representatives.

The Republican from the 2nd Congressional District is in her third term in the House of Representatives.

A former member of the West Virginia House of Delegates, Congresswoman Capito is the sole Republican and sole woman in the state’s national Legislature.

The caucus is committed to supporting legislation that improves conditions in the factory-built housing industry. With Congresswoman Capitol’s joining of the group, only Sen. Robert C. Byrd, D-W.Va., is not a member of the caucus.

“We welcome Congresswoman Capitol and look forward to working with her,” Institute Co-President Steve Brown said.

The Podium

Not so subtle maneuvering to keep us out of Jefferson County

*By Kevin Wilfong
Co-President West Virginia Housing Institute Inc.*

While it may be understandable that the people of Jefferson County want to protect what they have through the use of an impact fee, it seems to me there is something inherently wrong with the approach. And things like that are never good news for our industry.

It is no secret that many West Virginians are working under marginal conditions in which they eke out a living. We in the factory-built housing industry believe these West Virginians, as well as all our brothers and sisters across the state, are entitled to decent, affordable and structurally sound housing.

Jefferson County officials say taking their impact fees – money paid for the installation of one of our homes or construction of a stick-built house – up to \$9,880 as of Dec. 1 will work few hardships since the average cost of a house in that county is already tipping the scales at \$350,000. These impact fees -- used to offset the cost to education, emergency services and recreation of newcomers -- are now considered “negligible” by county officials. Negligible!

However, in the scheme of things for our industry, where most West Virginians can only afford a home less than \$100,000, a \$10,000 fee on top of the selling price is a pretty hefty value added tax, even if the officials up there argue it is not a tax.

Those in the building industry will not oppose this fee because it suits them to build fewer, but more expensive, houses. It also helps politely to eliminate competition from our product since they can say it is the government keeping us out and not the building industry.

“WE oppose fees employed in an arbitrary manner.” –
Kevin Wilfong

County officials say they are just trying to protect those already living in the county. Why should longtime, established residents have to pay this fee for the impact of future settlers? What if the newcomers have no children, what is that impact on the county? Is that considered in the fee?

This fee eliminates any influx of working-class, young and elderly West Virginians who might want to move into one of the most beautiful counties in the state. It discriminates against our customers in a not-so-subtle manner. They could post a sign along W.Va. 9: “Welcome from Washington; no West Virginians need apply”.

We do not oppose impact fees altogether. What we oppose are fees employed in an arbitrary manner that fail to take into consideration the actual impact of a family’s size or purchase price of the home.

What do you think?

We would like to hear from you. This is your Institute.

What’s the next step you recommend the Institute take?



Co-President Kevin Wilfong

Letters to the Editor



Thanks for the “unity, enthusiasm and giving” at convention

Dear Editor:

Just wanted drop you a quick note concerning the WVHI convention I had the privilege to attend earlier this month. It has been a while since I have noticed so much unity, enthusiasm and giving as I witnessed there.

The Stonewall Resort setting was a great one, great accommodations, food, and services. Their staff is second to none for smiles and eagerness to make your stay the best it could be. Then the backdrop of the beautiful West Virginia mountains was a site to behold every morning. The adjoining Arnold Palmer signature golf course was enjoyed immensely by myself and those I played with in the tournament.

The barbeque reception, Wednesday breakfast, awards banquet, auction and entertainment following where all just fantastic. Sandy Sowell's game show was a major hoot.

But the real stars of this convention and association are the members who have decided to really make a difference concerning the many issues that face our industry these days. Having federal, state and local officials, attorneys, and state development fund representatives attending, shows that a lot of communication and education is going on. I am quite sure that under your direction, coupled with the many leaders and active members in this group, that this association will soar to new heights in the quest to make our industry the absolute best it can be.

To sum this experience up in one word, it would be....."refreshing".

Sincerely,

Terry Larimore

Market Development Manager

Clayton-Richfield Plant 933



Industry supports nondiscriminatory legislation

The West Virginia Housing Institute Inc. is interested in legislation in the 2006 session that would prevent municipalities from discriminating against our housing based solely on the fact it is factory-built.

Legislation drafted to make that change this year failed to win approval in the Senate, although it was endorsed by the House Political Subdivisions Committee, which is chaired by Delegate Bill Proudfoot, D-Randolph.

In the upcoming session, members of the factory-built industry are going to need the backing and support for our legislation from state Sen. Edwin J. Bowman, D-Hancock.

Sen. Bowman is chairman of the Senate Government Organization Committee. The legislation must be endorsed by the senator's committee before it can be sent to the Senate for a vote. If it passes the Senate, it then goes to the House of Delegates.

The bill itself is simple. It says a dwelling affected by the proposal must have at least a 22-foot base. The law, if enacted, would then apply.

Basically, the bill would override municipal ordinances that say mobile homes cannot be moved into a community.

“The legislation would not prohibit discrimination against any of our homes, as long as the standards that are applied to us are the same standards applied to stick-built housing,” said A.V. Gallagher, executive director of the Institute. “A subdivision can ban a home that fails to have bricks on the front or a certain pitch to the roof, but the standards must be the same for everyone. It would be just as unfair if someone discriminated against stick-built housing because that’s the way it was constructed.

their own homes in your county, which will lessen the tax base rather than increasing it," Gallagher said.

County officials say the mean home price in Jefferson County has increased to \$325,000 from \$110,000 in the last decade so the fees are a "minor component" of the overall cost. Had the fees not been imposed, the cost of new growth would have fallen most heavily upon current landowners, Schiavone asserted.

"Impact fee programs nationally are designed to shelter existing residents from the cost of expanding capital facilities in order to accommodate new growth," Schiavone said. Overall, 35 states have impact fee legislation. He also disputed that the fee should be called a "tax" since the exact collection and exact disbursement of the fees can be tracked.

SOLOMON NAMED TO STATE BOARD (CONTINUED FROM PAGE 1)

factured Safety Standards Board.

He fills a position on the board that was vacant. His term is for six years.

The board oversees the operations of the factory-built housing industry to enforce state and federal manufactured housing regulations, issue disciplinary actions and assist in consumer complaints.

"We are pleased to have Mr. Solomon on the board because of his intimate knowledge of our industry," said Kevin Wilfong of Fairmont, co-president of the West Virginia Housing Institute. "We believe this will help all of the members of the panel have a more informed idea of our industry."

Solomon will give state regulators "a more informed idea," Wilfong says

Co-President Steve Brown of Hurricane agreed. "We welcome Mr. Solomon to this important regulatory agency because of his insights into the working operations of the industry and hope he will be able to impart that information to his fellow panelists."

The Institute has pushed for a retailer to be appointed to the board as a fairness issue to ensure that the public is protected while the industry also has a voice.

PUTNAM COUNTY ISSUES RESOLVED

WINFIELD – Officials for the West Virginia Housing Institute Inc., rental community owners, members of the Putnam County Commission and Health Department have resolved differences over regulations dealing with factory-built housing communities in the county west of Charleston.

The resolution came during a discussion between industry officials and Health Department Administrator Bob Peck at the Putnam County Courthouse. The industry was concerned the agency would apply safety regulations in effect since 1971 but never enforced.

The sides agreed to a compromise that satisfied county officials and allowed the rental community owners to continue to operate.

"We said a special thanks to Mr. Peck and County Commissioners J. Joseph Haynes, James Caruthers and Stephen Andes, who were diligent on our behalf, along with Delegate Mike Hall, R-Putnam, who worked tirelessly for the industry, and Putnam County Prosecutor Mark Sorsaia, who helped forge the compromise," said A.V. Gallagher, executive director of the Institute.

Institute attorney John R. Teare Jr. of Charleston played a key role in the talks.



WEST VIRGINIA
HOUSING INSTITUTE, INC.

**WEST VIRGINIA HOUSING
INSTITUTE INC.**

PO Box 2182
Charleston, WV 25328-2182
Phone: 304-346-8985
Fax: 5304-346-8986
E-mail: andy_wvhi@verizon.net

**WVHI—PROMOTING AND
PROTECTING THE
GENERAL WELFARE OF
THE FACTORY-BUILT
HOUSING INDUSTRY**

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Editor:

A.V. "Andy" Gallagher

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Call Beth O'Dell

(304) 346-8985

Comments?

Contact: Andy Gallagher

(304) 346-8985 (office)

(304) 415-4187 (cell)

Andy_wvhi@verizon.net