



MH Advisors

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Re: Testimony in Favor of HB SB 484, Housing Expansion and Affordability Act of 2024

My name is Tom Heinemann, Principal of MH Advisors. Along with Equity Plus, LLC, I am one of the developers of [Kilpatrick Woods](#), a 239 manufactured home subdivision on 63 acres in Hagerstown, MD. Our development was featured in [Fast Company](#) and [NPR](#).

On behalf of our development team and the [Next Step Network](#), our non-profit housing partner, I am pleased to be testifying in favor of SB 484, the Housing Expansion and Affordability Act of 2024. Reducing the zoning barriers to high quality manufactured housing is an important step in reshaping a zoning landscape that is more favorable to affordable housing. The term “manufactured housing” often evokes old mobile homes. Today’s manufactured homes are virtually indistinguishable from site-built homes – the only difference being the underlying building code. Manufactured homes are built to a [Federal pre-emptive building code](#). This code allows manufacturers to pass on cost savings associated with building all homes to one building code, regardless of where it is shipped, to the buyer.

[Harvard’s Joint Center for Housing Studies](#) found that manufactured housing construction costs are approximately 27% less than site-built homes. This savings makes all the difference. Both [Fannie Mae](#) and [Freddie Mac](#) have low down payment 30 year fixed rate mortgages for homes that meet criteria commonly found in site built homes – energy efficiency, steeper roof pitches, drywall interior construction, permanent foundations etc. These mortgage programs effectively place high quality manufactured home financing on par with site built. Because of the cost savings associated with manufactured housing, we can pass that critical savings to the consumer – and hit the 80%-120% AMI income band, or the “missing middle.”

Our work is built upon this value proposition. Next Step works with us to both exceed the Fannie Freddie build quality standards of the homes we use and helps ensure buyers are home purchase ready. Kilpatrick Woods, a green field development within city limits, and our Homes in the Heights our urban infill project in Petersburg, VA are proof of concept. In both instances we have been able to work through the existing zoning structure. But for every Hagerstown and Petersburg there are numerous jurisdictions that explicitly limit where manufactured homes can be placed. This patchwork of uncertainty is the greatest risk to the broader use of manufactured housing. Our track record in running the planning gauntlet for a zoning change is 50/50 (a loss in Winchester, VA, a win in Harrisonburg, VA)– and for many that is simply a risk too high.

Passage of HB 538 is critical to expanding the tools available to address the affordable housing crisis. We are pleased to show proof of the concept that manufactured housing can meet the demand in an attractive and sustainable way.

Kilpatrick Woods, Hagerstown, MD



Streetscape: 1347-1367 Connecticut Ave Hagerstown, MD



Interior

Homes in the Heights, Petersburg, VA



Freddie Mac CHOICE Home, Petersburg, VA