

THE

RESOURCE

California Manufactured Housing Institute



SUMMER
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Factory Constructed Housing in the Fast Lane

by Jess Maxcy



ASCAR fans attending the Nextel Cup Series Sony HD 500 event at the California Speedway in Fontana will have the opportunity to tour a completely furnished factory constructed home.

The 1,504 square foot home will be exhibited by the Model Home Center of Lake Elsinore, sponsored by the California Manufactured Housing Institute and open to race fans from September 1-3.

Taking lessons from NASCAR pit crews, Structural Consultants team members installed the home, complete with a two-car garage, on the midway in just three days.

Cities and counties looking for a speedy way to use infill housing as a means to ensure high-value and affordable home ownership options need look no further than factory constructed housing.

Throughout urban centers in California, there are thousands of lots zoned residential that are either vacant or occupied by substandard housing. These lots have several things in common:

- They are where affordable housing is needed.
- Many are owned by the city or county.
- They are not producing sufficient tax revenue.
- They are generally not contiguous.
- They are usually long and narrow.
- Site builders won't or can't economically build on them.
- They are perfect for factory constructed housing!

In addition to helping maintain relative affordability, infill housing helps to ease urban sprawl and reduces traffic and land-use problems as housing is placed closer to urban jobs.

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TYPES OF FACTORY CONSTRUCTED HOMES

In California, the predominate types of factory constructed homes are “Manufactured Homes” and “Factory-built Homes” (see back page for definitions). In 2005, of these two types, manufactured homes accounted for 97% of the market with factory-built picking up the balance.

CONSTRUCTION PROCESS

Development with factory constructed homes on infill lots is basically a two-step process.

Off-site, the home is constructed in a factory to comply with its applicable building code. Once completed at the factory, the home is transported to the site for installation.

On-site work consists of grading and exca-

vation, foundation and flat work, home installation, construction of the garage and landscaping.

This bifurcated process allows simultaneous construction of the home and foundation, which leads to quicker project completion and reduced carrying costs.

REGULATORY APPROVALS

In California, approximately 70% of new manufactured and nearly 100% of factory-built homes sold are sited on lots in urban, suburban or rural neighborhoods. Facilitating this opportunity for manufactured housing are state laws (Government Code Sections 65852.3 and 65852.4) which allow manufactured homes to be sited on any residential lot, providing the home meets specified local development standards.

Also covenants, conditions and restrictions adopted on or after January 1, 1988, cannot forbid the siting of a manufactured home on a residential lot, if the home can meet the same architectural standards as site-built homes in the neighborhood. (California Civil Code Section 714.5)

Health and Safety Code Section 19993 facilitates the installation of factory-built homes.

WHY FACTORY CONSTRUCTION?

Increased reliance on factory construction has resulted in major changes in the efficiency of housing construction. Site builders today routinely use prefabricated wall panels, trusses, cabinets, etc.

Advantages of factory construction include better control of building and financing costs, more efficient control of inventory and the ability to better control the quality and performance of products. These advantages increase value for homebuyers and make affordability more than just a dream! **It's a Win/Win!**

As local governments race to meet the ever-growing need for affordable housing, speed to project completion is the key. Being the most complete form of factory constructed housing, manufactured and factory-built homes can get to the checkered flag faster than any other form of housing.

Vacant lots are transformed into income producing properties for local governments and, from entry level to move-up models, factory constructed housing on infill lots is a cost effective fast track for bringing high value homeownership to any community.



Fleetwood Homes, Bellflower, CA



CAVCO Homes, Loma Linda, CA



Factory Constructed Home Builders Embrace ENERGY STAR

ENERGY STAR is a nationally recognized, voluntary labeling program designed to identify and promote energy-efficient products, new homes and buildings to consumers and business owners across the United States. Initiated by the US Environmental Protection Agency in 1992, ENERGY STAR is now a joint effort with the US Department of Energy.

An ENERGY STAR Labeled Home is at least 15% more energy efficient than homes built to the 2006 International Energy Conservation Code. This increased level of energy-efficiency can be met using standard technologies and manufacturing practices by successfully integrating three key home components:

- 1) An energy-efficient building envelope (effective insulation, tight construction, advanced windows).
- 2) Energy-efficient air distribution (air-tight, well-insulated ducts).
- 3) Energy-efficient equipment (space heating, space cooling and hot water heating).

FACTORY CONSIDERATIONS

Several factory constructed home builders have embraced ENERGY STAR and are certified. There are at least three basic reasons why factories consider the commitment to becoming an ENERGY STAR Partner:

- 1) ENERGY STAR Labeled Homes have lower monthly operating costs and potentially increase the resale value of a home.
- 2) The efficiency measures built into an ENERGY STAR Labeled Home have residual benefits that increase customer satisfaction.
- 3) ENERGY STAR offers another opportunity for a factory constructed housing producer to demonstrate parity with or superiority to site-built competitors.

ENERGY STAR FACTORY CONSTRUCTED HOME FEATURES

ENERGY STAR features contribute to improved home quality and homeowner comfort, and to lower energy demand and reduced air pollution. ENERGY STAR also encourages the use of energy-efficient lighting and appliances, as well as, features designed to improve indoor air quality.

Builders work with Home Energy Raters to select from a number of features when



planning and building homes. These features and the subsequent benefits to the home owner include:

1) Effective Insulation

Properly installed, climate-appropriate insulation in floors, walls, and attics ensures even temperatures throughout the house, less energy consumption, and increased comfort.

2) High-Performance Windows

Energy-efficient windows employ advanced technologies, such as protective coatings and improved frame assemblies, to help keep heat in during winter and out during summer. These windows also block damaging ultraviolet sunlight that can discolor carpets and furnishings.

3) Tight Construction and Ducts

Sealing holes and cracks in the home's "envelope" and in duct systems helps reduce drafts, moisture, dust, pollen, and noise. A tightly sealed home improves comfort and indoor air quality while reducing utility bills.

4) Efficient Heating and Cooling Equipment

In addition to using less energy to operate, energy-efficient heating and cooling systems can be quieter, reduce indoor humidity, and improve the overall comfort of the home. Typically, energy-efficient equipment is also more durable and requires less maintenance than standard models.

5) Lighting and Appliances

ENERGY STAR qualified homes may also be equipped with ENERGY STAR qualified products — lighting fixtures, compact fluorescent bulbs, ventilation fans, and appliances, such as refrigerators, dishwashers, and washing machines. These ENERGY STAR qualified products provide additional energy savings to the owner.

6) Third-Party Verification

With the help of independent Home Energy Raters, ENERGY STAR builder partners choose the most appropriate energy-saving features for their homes. Additionally, raters conduct onsite testing and inspections to verify that the homes qualify as ENERGY STAR.

The Resource is published four times a year by the California Manufactured Housing Institute (CMHI), a nonprofit trade association representing builders of factory constructed homes, retailers, supplier companies, financial institutions, community owners and land developers. CMHI was founded on the belief that by combining the efforts and common interests of all sectors of the factory constructed housing industry, the best interests of consumers, local communities and the industry will be served.

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THE RESOURCE

CALIFORNIA FACTORY CONSTRUCTED HOUSING DEFINITIONS

The California Manufactured Housing Institute (CMHI) is one of the nation's oldest professional and trade associations representing the factory constructed housing industry. First organized in 1937, CMHI was restructured in 1986 as an all-industry association of companies that build, sell and finance factory constructed homes and communities.

While most builders rely on factory construction for portions of their construction process, i.e. cabinets, trusses, etc., the most complete forms of factory constructed housing are manufactured homes and factory-built homes. These homes are comprised of three-dimensional modules, which are transported to a home site and installed on a state approved foundation or support system.



Home shown available in Manufactured or Factory-built models.
Karsten Homes, Sacramento, CA

California law clearly defines two types of factory constructed homes by the building code to which they must comply.

MANUFACTURED HOMES

These homes are constructed to comply with the National Manufactured Home Construction and Safety Standards (Part 3280 CFR-HUD), a uniform building standard administered and enforced by the U.S. Department of Housing and Urban Development. Approximately 97% of all factory constructed homes produced in California each year meet this code.

FACTORY-BUILT HOMES

While these homes are often referred to as "Modulars", the proper term in California is "Factory-Built" (see California Health and Safety Code, Division 13, Part 6, Section 19971).

These homes are constructed to comply with the California Code of Regulations, Title 24, California Building Standards Code and FBH laws and regulations. Some factory-built homes employ panelized construction techniques. About three percent of all factory homes produced in California factories each year meet this code.

Most CMHI manufacturer members produce both manufactured and factory-built homes in their manufacturing facilities on the same production lines, thereby controlling the quality of both products with experienced construction personnel.

So, manufactured or factory-built? It's your choice; both provide safe, energy efficient and high value home ownership opportunities for California families.