

**OHIO HOUSE OF REPRESENTATIVES
FINANCE SUBCOMMITTEE ON STATE GOVERNMENT & AGENCY REVIEW**

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OWNER, GREENLAWN COMPANIES
CHAIR, OHIO MANUFACTURED HOMES COMMISSION**

MARCH 23, 2017

**HB 49--MAINTAIN OHIO MANUFACTURED HOMES COMMISSION
EXISTING LAW**

Chairman Faber, Ranking Member Patterson and members of the Committee.

I am Ron Younkin, owner of Greenlawn Companies. We are located in Columbus, Ohio. Our family started in the manufactured homes business in 1943 and 3 generations later continue in the business having provided affordable homeownership to over 16,000 Ohioans.

I also have the privilege of having been appointed by the Speaker of the House to serve on the Manufactured Homes Board of Commissioners since its inception.

Today, I speak from the perspective of a business owner and as well as Chair of the Manufactured Homes Commission.

When the Commission implemented the General Assembly's consolidation of all manufactured homes regulation under the Commission, our goals were to ensure homeowner safety, reduce regulatory barriers, quickly resolve complaints and reduce fees.

Fee Reductions and Appropriation

The MH Commission's actual expenses in the last full fiscal year were \$896,000 resulting in 25% of the Commission's appropriation being returned to the state. The Commission is 100% self-funded by fees and receives no GRF monies.

The MH Commission conducted a revenue vs expense study last year. It was determined that fees could be further reduced due to operational efficiencies.

As a result, the MH Commission is currently in the Rule making process to reduce those fees. The Commission's fee reductions will save homeowners \$546,400 in inspection fees and

businesses \$503,800 for the biennium- more than a 22% reduction in fees on average, which is on top of a previous 10% reduction in park license fees.

As a result, the Manufactured Homes Commission only needs \$795,000 in annual appropriation.

Customer Service, Inspections, Complaints

Our family's business prides itself for excellent customer service. That commitment to customer service is equally important to me in my role as Chair of the Manufactured Homes Commission.

The Department of Commerce indicated in previous testimony they would utilize 30 of their commercial building inspectors to conduct an unnamed percentage of 1,600 installation inspections. Actually the MH Commission averages 9,000 home installation inspections annually. These inspections are undertaken by certified residential inspectors trained on the federally mandated requirements for manufactured home installations.

Manufactured homes are the only homes in Ohio 100% inspected in the home construction phase (in factories) and the installation, connections and occupancy phase. Keep in mind two-thirds of the state have no building departments.

During previous testimony, Commerce indicated installation inspections primarily involve plumbing and electrical components. In reality the vast majority of home inspections involve the complex and unique foundation and anchoring systems utilized for manufactured homes.

According to the organizational diagram the Department of Commerce provided in the LSC Redbook they did not identify responsibility for state law mandated licensing, inspection and regulation of the 1,600 manufactured home parks nor the required re-inspections to ensure compliance with any violations.

Commerce also apparently is not aware of more than 1,350 park resident “living conditions”, health and safety cases resolved each year as well as approximately 5,000 inquiries

involving various regulatory issues from legislators, local officials, judges, attorneys, homeowners, the public and businesses. The MH Commission also conducts nearly 300 illegal installation investigations and over 100 field audits annually. Collectively manufactured homes inspections would increase the Commerce inspectors' workload by as much as 50% as Commerce indicated the 30 inspectors handle 27,000 commercial inspections.

Our industry already has experience with the Commerce's Division of Industrial Compliance's *Modular Home* plan approvals program. More than half of modular homes are also built by our industry. *(Modular homes are built according to a state building code, whereas manufactured homes are built to a pre-emptive national building code).*

Unfortunately our industry has experienced significant delays by the Division of Industrial Compliance in modular home plan approvals. Too often this has resulted in homeowners paying for temporary housing, additional interest on construction loans or cancelled orders due to the plan approval delays.

For example, , a manufacturer that builds a number of modular homes in Ohio indicates once a modular home plan is submitted for approval, it routinely takes about 15 days until they receive the first response from Industrial Compliance. At that time, a letter is sent by Industrial Compliance back to the manufacturer with any listed deviations or comments. Some of these “*deviations*” have been as minor as a misspelled word. The manufacturer generally turns these around the same day and routinely it is another 15 days before receiving final approvals. Usually, it takes about a month or more to obtain modular plan approvals from the Division of Industrial Compliance.

In the other states around Ohio, this process generally is accomplished in a day or two (a week tops) from start to finish.

The same Division of Industrial Compliance, under HB 49, would operate nearly the entire manufactured homes regulatory program.

Our homeowners and businesses do not want subjected to the same delays we experience with modular home plan approvals.

Currently, the MH Commission has identified office space in Hilliard at annual cost of \$28,000 less than the Riffe Tower DAS told us we must consider. And that doesn't include the \$12,000 in common charges or employee parking fees.

The Department Of Commerce appears unaware of the extensive program of work for manufactured homes regulation.

Yet they are asking for more money to do far less than the Manufactured Homes Commission does today.

I urge the Committee to maintain current Ohio law by keeping the Ohio Manufactured Homes Commission.

Thank you Chairman Faber. I am happy to answer any questions.