

# MORE ENTERTAINMENT



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## Manufactured homes could help fix our housing woes

BY JEFF VONKAENEL / [jeffv@newsreview.com](mailto:jeffv@newsreview.com)

**We need 2.5 million more homes in California.** Gov. Gavin Newsom is calling for increasing the number of dwelling units built each year in California from the current 110,000 to 500,000.

How can we do that?

Manufactured homes, which have dramatically increased in quality over the years, can be produced at a significantly lower cost than on-site construction, typically about 20% to 30% less. For many people, this could be the difference between an affordable home and one that is not.

After touring some manufactured home lots and being impressed with the quality of the housing, I wondered how many manufactured homes were being built each year. And could we use them to help solve California's housing problems?

As it turns out, Sacramento City Councilman Eric Guerra's day job is working in the Legislature and one of his tasks is working on manufactured home legislation. He connected me up with Jess Maxcy, who is the longtime president and CEO of the California Manufactured Housing Institute. I spent a couple of hours with Maxcy in his Riverside office, absorbing as much information as I could about the manufactured home industry.

Maxcy explained that about 15 years ago, California home manufacturers were producing about 10,000 units per year. Then the 2008 recession wiped them out. Production dropped to about 1,400 and many California manufactured home companies closed their factories.

But sales in California have picked up again, and the industry is currently producing just less than 4,000 homes a year. It is not economically feasible to produce manufactured homes in China or North Carolina for the California market because of the high cost of shipping. So we need California factories.

Maxcy told me that the current capacity for California manufacturers

was around 6,000 a year. I asked him if they could expand capacity. He told me that regulations and California's high costs would prevent a new factory from opening in the Golden State.

We need to change this.

If we are going to increase the number of dwelling units built each year by 400,000, we need to dramatically increase the number of manufactured homes. Building 50,000 homes each year in California is within the realm of possibility. If we could save \$30,000 per housing unit—a conservative estimate—50,000 houses would represent \$1.5 billion a year in savings, or \$30 billion over 20 years.

California is currently pouring billions of dollars into support for low-income housing, as we should. I do not know what amount of money it would take to jump start manufactured home factories in California. But I know it would be less than \$30 billion.

Would it be wise to spend some of that money to support building manufactured home factories in California? Could we remove some of the barriers to building manufacturing plants in California? Obviously the Central Valley has both the land and the need for economic development.

In addition to low-income housing, manufactured homes could also be used as affordable "mother-in-law units," increasing urban density and decreasing sprawl. Any increase in housing supply would help reduce the cost of housing.

There is a housing crisis. We need to respond. Let's use our California innovation for something bigger than a microchip. Affordable housing should be more than just a pipe dream. □

Jeff vonKaenel is the president, CEO and majority owner of the News & Review.