

Senate Commerce Committee

Aaron Jones 271-2609

HB 685, permitting in all residentially zoned areas by right the construction of manufactured housing.

Hearing Date: April 15, 2025

Time Opened: 9:54 a.m.

Time Closed: 10:27 a.m.

Members of the Committee Present: Senators Innis, Ricciardi, McGough, Fenton and Reardon

Members of the Committee Absent : Senator Murphy

Bill Analysis: This bill updates the definition of manufactured housing, and establishes the requirement that manufactured housing must be permitted in all residential zoned areas within every municipality in the state, overriding any local zoning ordinances that prohibit or unreasonably restrict its placement.

Sponsors:

Rep. Alexander Jr.

Rep. Berry

Rep. Damon

Rep. Grill

Rep. A. Murray

Rep. Read

Rep. Sweeney

Rep. H. Howard

Sen. Innis

Who supports the bill: Representative Joe Alexander Jr., Abby Bronson (NH Community Loan Fund), Greg Moore (AFP-NH), Joanie McIntire (NH Association of Realtors), Karen Soucy (NHMHA), Lily Wellington (NH Commission on Aging), Ivy Vann, Nick Taylor (Housing Action NH), Dawn McKinney (NH Legal Assistance), Sarahlynn Williams, Lois Cote, Curtis Howland, Sarah McCarthy, James Gardner, Martha Smith, Anne Marie Skinner, Chase Eagleson (NH Council on Developmental Disabilities), Kimber Capen, Aubrey Freedman

Who opposes the bill: Representative Tom Schamberg, Patricia Bridgeo, Dawn Merryman, Margaret Byrnes (NHMA), Carol Schutte, Rachel Webb, Roger Murray, Thomas Dangremond, Jim Avallon, Todd Selig (Town of Durham), Stephen MacLeod, Rosina Lis, Jo Beth Dudley (Dalton Select Board), Helen Lloyd-Davies, Philip Kasiiecki, Maura Annette Chappelle

Who is neutral on the bill: No one

Summary of testimony presented in support:

Representative Joe Alexander Jr.

- This bill would update the definition for manufactured housing to a structure that was built at a facility offsite, transported in, and connected to required utilities, including plumbing, heating, and electricity.
- Manufactured housing is separate from traditional mobile homes or modular buildings.
- This bill would permit manufactured housing in any residential zone by right.
- Manufactured homes are smaller, less expensive to build, and more energy efficient. They are an affordable housing option for elderly individuals and first-time homebuyers.
- If there were enough permitted, Representative Alexander believed the target starting price would be \$140,000 to \$150,000.
- **Senator Reardon** said the City of Concord raised an issue that if this bill were coupled with the accessory dwelling units (ADUs) by right bill, it would allow two manufactured houses of a certain size on a lot by right.
 - **Representative Alexander** stated no. If Senator Reardon was talking about HB 577, it would have to be a smaller percentage of the larger house. It stipulated that an ADU must be a percentage size up to 1,000 square feet. It might happen if there were a smaller modular home, but he said there was language to address it.

Abby Bronson, New Hampshire Community Loan Fund

- This bill ensured manufactured housing was treated the same as stick-built single-family homes in residentially zoned areas.
- Ms. Bronson said it is true that prices have gone through the roof because there is a hunger for starter homes.
- Manufactured homes are built to the HUD code, which was created in 1977. Since then, it has been updated several times. It regulates safety and durability to ensure they are durable and quality homes.
- This bill would allow individuals to buy a starter home and build their equity. It also could help elderly individuals who might want to downsize.
- Ms. Bronson reiterated that this bill was about providing more homeownership opportunities by allowing manufactured homes to be placed where traditional stick-built homes are placed.
- **Senator Reardon** asked if in her experience, this is what individuals are thinking of when they talk about manufactured housing.
 - **Ms. Bronson** replied no. The HUD code helped to change things around. While there have been some lower quality homes built, that is not the case anymore. Despite this, there is still a stigma associated with them.

Joanie McIntire, New Hampshire Association of Realtors

- In 2024, manufactured homes accounted for 10 percent of all real estate sold.

- In 2024, the median home price was \$514,000. For manufactured homes, the median price was \$162,000.
- Since 2019, single-family home prices have increased by 71 percent. Over the same period, manufactured home prices have increased 138 percent from \$68,000 to \$162,000.
- For individuals who are looking to get their first home, manufactured housing is an affordable option.
- Government regulations, including zoning, have worked to limit the expansion of these homes.
- Zoning, according to RSA 674:16, is for the health, safety, and general welfare of the community. It was not intended to limit types of housing based on what people liked or did not like.
- Manufactured homes are not like the mobile homes from 1977. Ms. McIntire said they are transferred by a deed, attractive, well-built, and only mobile once.
- For a first-time homebuyer, these homes are the perfect way to get on the housing ladder. These individuals are needed to help businesses thrive. For seniors who are on a fixed income, it is a nice option for them to downsize, while also placing their old home onto the market.
- The Committee should support this bill if they want to protect private property rights, provide seniors with a cost effective option, and allow the economy and workforce to grow.

Lily Wellington, Executive Director, New Hampshire Commission on Aging

- As they have surveyed the state, Ms. Wellington said they have routinely heard that the state needs a variety of housing options.
- Individuals want to remain in their communities, so they have to look at supporting it as a state.
- Manufactured housing is low maintenance, and it has a low barrier because it is easier to physically and financially access.
- 21 percent of individuals with a disability are between the ages of 65 and 74. For those who are 75 or older, it increases to 42 percent.
- In New Hampshire, Ms. Wellington said they faced a permanent demographic shift. By 2030, 30 percent of the state will be over 65 years old.
- Ms. Wellington said they needed to think creatively about how to create housing to improve opportunities for aging.

Ivy Vann

- In New Hampshire, 30 percent of all households are one person whereas 60 percent or more are two individuals.
- The housing stock does not match the state's demographics anymore. Ms. Vann said there are too many big houses on big lots, and there are not enough individuals who need that housing.

- Manufactured housing units are well built and attractive. Ms. Vann did not see a reason they could not fit in any place where there was a stick-built house. They are built to a high standard, and they are the most economical way to provide clean, safe, and relatively affordable housing.
- Like other markets, prices go up if there is a shortage. The only way to have prices stabilize would be to provide more housing.

Karen Soucy, on behalf of the New Hampshire Manufactured Housing Association

- Ms. Soucy said she received a call from a homeowner in Winchester because the town was going to deny a permit. As a result, the homeowner would have to get a variance to live in their home on their property.

Summary of testimony presented in opposition:

Patricia Bridgeo

- Ms. Bridgeo asked the Committee to slow down and read through the bills in their entirety to understand the ramifications they would have on each individual town across the state. Most bills would obliterate the ability of towns to understand their own individual areas of concern.
- Some manufactured houses already start at \$240,000 in addition to a \$370 HOA fee. Ms. Bridgeo said developers would not lower the prices because they could make money.
- This bill does not have definitions. It also does not address tiny homes, density issues, or sewer issues.
- This was a one-size-fits-all mandate, and it would take away the ability of a town to know where their problems are.
- **Senator McGough** said she had asked the Committee to slow down, read the bills, and stop being disingenuous. He asked if she had read Article 12 of the New Hampshire Constitution.
 - **Ms. Bridgeo** replied that she has read constitutional and property law, and she has tried to stay abreast of how they got here. It was a lot of hours, especially as a volunteer selectboard and planning board member. She did not mean to be disrespectful, but individual towns were dealing with the ramifications of the laws being passed. In her town, she knew why planning and zoning for manufactured housing was set up. If these bills are passed, it will take time away from the 150 applications they have received. They would have to create warrants as well as see where there are conflicts. She said it is becoming a monumental task, and individuals are getting tired of comparing their towns with what is being done by the state.

Dawn Merryman

- Ms. Merryman said she owned property, and she asked if she was free to do what she wanted.
- The Legislature was asking them to increase population density. For places like Concord, which have a septic system, it may not be an issue. In Raymond, however, they have a water system and they have lakes and waterways. As population density increases, there will be septic problems. Their boards know what areas of town are wet, and what areas can handle more. They already have issues with nitrogen in their water.
- New Hampshire is not a one-size-fits-all state, and localities need to have some control over these issues to mitigate the costs incurred by taxpayers.

Margaret Byrnes, New Hampshire Municipal Association

- If the intent was to simply allow manufactured housing where stick-built homes are permitted, it would be a benign change. This bill, however, would be more expansive.
- The manufactured housing statute, RSA 674:32, was amended last year and it went into effect in July 2024.
- This bill would add a new section, RSA 674:31-b, which would create conflicts with the existing statute.
 - Lines 13 to 14 stated “Notwithstanding any other provision of law to the contrary, manufactured housing shall be permitted as a matter of right in all land areas and lots in districts zoned to permit residential uses within every municipality in the state.” However, RSA 674:32 stated municipalities shall “afford reasonable and realistic opportunities for manufactured housing.” This bill does not distinguish between manufactured homes placed on individual lots or parks like in RSA 674:32. Ms. Byrnes said this conflict needed to be resolved if the Committee moved forward.
 - Section 2, Lines 21 to 23, stated “No municipality shall adopt or enforce any zoning ordinance, regulation, or policy that discriminates against manufactured housing by prohibiting or unreasonably restricting its placement in residential zones.” Ms. Byrnes said this language was vague, conflicted with existing statutes, and it would lead to lawsuits over what an unreasonable restriction is.
- As written, HB 577 would prohibit municipalities from restricting ADUs to less than 750 square feet with a ceiling placed at 950 square feet. Neither that bill nor this bill would prohibit a manufactured house with an ADU.
- If the Committee moved forward with this bill, Ms. Byrnes said they should clarify the intent is to allow homes where stick-built homes are meant to be.

Neutral Information Presented: None

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Date Hearing Report completed: April 22, 2025