

NDMHA NEWS

N.D. Manufactured Homes
Association

February 2012

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Meet the President

NDMHA members:

I would like to introduce myself as the new NDMHA president. I am originally from the western North Dakota area of Powers Lake and grew on a farm between Powers Lake and Stanley. I attended Minot State University. I have been in manufactured home sales for 11 years at Liechty Homes in Minot. I am looking forward to my new position as President of your Association, as NDMHA members from communities, sales and service companies flourish during this time of great expansion in our State. The mild winter has been a blessing for our State and the flood recovery process and has allowed rebuilding sooner than expected. There will be great opportunities in 2012 for existing members and I hope to see new members join so they can take advantage of the benefits of our association.

Feel free to contact me by email at tome@liechtyhomes.com or by phone at 701-852-0249.

Thank you for this opportunity.

Sincerely,

Tom Erie
NDMHA president

MINUTES OF ANNUAL MEETING
NORTH DAKOTA MANUFACTURED HOUSING ASSOCIATION
JANUARY 18, 2012

The Annual Meeting of the North Dakota Manufactured Housing Association was held at the Kelly Inn in Bismarck, North Dakota, January 18, 2012 beginning at 9:30 a.m.

President Lance Kennedy presided as chairman of the meeting.

The meeting was called to order. A quorum was present. The meeting was open for business.

EXECUTIVE SESSION

It was moved by Ron Mitzel, seconded by Chad Evans, and unanimously carried that the minutes of the Annual Meeting held January 12, 2011 be approved.

Lance Kennedy presented the Treasurer's Report, attached as Exhibit A. It was moved by Larry Gullickson, seconded by Dennis Moore, and unanimously carried that the Treasurer's Report and all disbursements made from January 1, 2011 to December 31, 2011 be approved. Kent French reported that Widmer Roel PC audits and NDMHA's books yearly.

Lance Kennedy presented the nominations from the Nomination Committee for the Board of Directors positions expiring this year. The nominations were Corey Theis, Tom Erie and Lance Kennedy for At-Large Directors. Larry Gullickson was nominated for Park Operator Director. The floor was opened for nominations for Neil Shelkey's At-Large Director Position. It was moved by Will Simpfenderfer and seconded by Kent French to nominate Dan Masseth from XL Homes to the At-Large Director Position of the Board of Directors.

It was moved by Chad Evans, seconded by Dennis Moore, and unanimously carried that nominations cease and unanimous ballots be cast for Corey Theis, Tom Erie, Dan Masseth and Lance Kennedy for At-Large Directors and Larry Gullickson for Park Operator Director to the Board of Directors of the North Dakota Manufactured Housing Association for a two-year term.

Tom Wilkie suggested that NDMHA invest in vehicle decals for NDMHA members in good standing. Decals should have NDMHA's new logo and website address on it. There was some discussion of updating NDMHA's current membership plaque. These items will be discussed during the January 19th, 2012 Board of Director Meeting.

LEGISLATIVE SESSION

The Legislative Panel consisted of Kent French from Liechty Homes, Thomas Kelsch and Bill Delmore from the Kelsch, Kelsch, Ruff and Kranda Law Firm, Mandan, ND.

Bill Delmore reported that Senate Bill 2371 appropriated money to manufactured home owners who experienced damage to their homes during the recent flooding. Bill, Thomas and Kent contacted the Bank of North Dakota and the Attorney General's Office to verify the verbiage of this Bill. Bill Delmore received verification today that 5 million dollars has been carved out specifically for manufactured home owners who sustained loss during the recent flooding. The program is to provide loans to North Dakota residents affected by a presidential declared disaster in the State and in an area eligible for Federal Emergency Management Agency (FEMA) assistance. Assistance is for the purpose of rebuilding the resident's flood-damaged home or purchasing a new home in the disaster-impacted community. Local banks have all pertinent applications and information. Information is also on the Bank of North Dakota's website.

Bill Delmore explained the current guidelines for retail establishments, according to the Fair Labor Standards Act. The below are exemptions to the current guidelines:

1. A retail or service establishment.
2. The regular rate of pay (commission and salary) must be one and one half times the minimum wage for the time period the employee works overtime.
3. One half of the amount the employee makes must come from commission.

Bill Delmore raised the issue of new manufactured homes not being inspected, according to the policies of the Manufactured Installation Program. Bill suggested increasing the Bonding and the time period that the Bond stays into affect. The Highway Patrol must be contacted and give approval for homes being transported into the State. Kent suggested checking with the State Tax Department to see if they are receiving the proper tax on all homes shipped into the State. Membership discussed the possibility of giving the Department of Commerce more authority to implement and apply rules and regulations.

Kent French asked for volunteers to serve on a Bonding and Licensing Committee to look at bonding and licensing requirements and regulations. Larry Gullickson, Chad Evans, Dan Masseth and Jim Farnsworth volunteered to serve.

Thomas Kelsch stated that members should become familiar with the North Dakota Legislative Report located on the North Dakota Legislative Branch website. This site provides an immense amount of information relating to the

legislative process in North Dakota, especially with respect to North Dakota Legislative Management and the North Dakota Legislative Assembly. The website address is www.legis.nd.gov. Tom stressed the importance of NDMHA being very proactive on all issues regarding the manufactured housing.

GENERAL SESSION

Ted Hanson from KKBold reviewed NDMHA's website with membership. Ted also presented reports from NDMHA's Pay per Click Advertising Campaign that ran from March 1, 2011 to May 31, 2011. During this campaign NDMHA received 4,555 visits, 88.33% of visits were new visits, average pages visited were 2.56 pages and the average time spent on the site was 1:18 minutes.

Mike Anderson the Executive Director of the North Dakota Housing Finance Agency reported that disaster recovery has been very overwhelming to the Agency. Approximately 4100 structures received flood damage and approximately 1900 households are still displaced from the Minot flooding. 1/3 of the 1900 households still don't know what their housing situation will be in a year. Most of these individuals are still in temporary housing. NDHFA is questioning how to offer affordable housing to the Minot flood victims. Minot is offering a Community Land Trust which is a mechanism where a nonprofit organization acquires land and offers land at an affordable cost to individuals who purchase a home. The non-profit and individual enter into a lease agreement for the land the house is placed on.

Mike explained the North Dakota Housing Incentive Fund (HIF) program which is a means for developing affordable multifamily housing by incentivizing private investment. The fund is capitalized by contributions from state income and financial institution taxpayers. Contributors receive a dollar-for-dollar state tax credit that may be fully claimed in the year their contribution is made to the fund. Contributors can target their contributions to a specific project, community or area so their funds support their community needs. The Legislature originally allocated 4 million dollars, however the Special Session allocated an additional 11 million dollars. NDHFA currently has a little over 6 million dollars for this project.

Mike also reviewed the Low Income Housing Tax Credit (Housing Credits) program which provides incentives for the production and rehabilitation of rental housing. The program allows owners who invest in low-income housing, and accept income and rental restrictions, to receive federal tax credits. Under the program, owners of low income housing are entitled to receive an annual tax credit for up to 10 years based on various requirements such as the amount of capital invested and the level of commitment to low income tenancy.

Mike indicated that NDHFA has contracted with NDSU to do a North Dakota Statewide Housing Needs Assessment Resource Project (SHARP) to look at multiple components of statewide housing needs. This housing assessment will investigate housing supply, housing demand, substandard housing, special populations and land use in North Dakota.

Cal Steiner introduced Rory Hoffman who will be taking over the Manufactured Homes Installation Program and Bruce Hagen who is will be handling third party inspections.

Cal reported that tracking of manufactured homes has been a huge issue. Dealers must make sure the authorization form is in the window of all manufactured homes. There is currently a huge breakdown between dealers and installers. The Department of Commerce does have the authority to pull licenses and will begin to pull installer licenses if proper procedures are not followed. Installers must put the authorization form in the manufactured home window before the home is taken onsite and the inspector must be contacted before the home is delivered to the site. The inspector's first priority is the home owner not the dealer or manufacturer. Inspectors are also not filing reports in a timely manner. If dealers or installers are not going back to complete all required work, the inspector should contact the Department of Commerce so the installers licenses can be pulled.

Dealers from out-of-state are bringing in their own crews, setting up homes and leaving. The Department of Commerce has no way of monitoring these homes. Cal indicated the Department of Commerce would like the authority to issue violations like the State Electrical Board since the Department currently has no enforcement authority.

There being no further business to come before the membership, it was moved by Kent French, seconded by Larry Gullickson, and unanimously carried that the meeting be adjourned.

MANUFACTURED HOME SHIPMENTS

Manufactured home shipments for December 2011 were 3,838 new homes, up 38.0 percent from December 2010. Increases were across the board with shipments of both single-section and multi-section homes up compared with the same month last year. Single section homes accounted for the largest portion of the increase, with shipments up 54.5 percent compared with December 2010 figures. The increases were, in part, due to the purchase of 1,735 homes (mainly new single section homes) by FEMA, in the last quarter of 2011 (see Note).

Compared with 2010, shipments of new manufactured homes in 2011 declined in each of the first seven months. August marked the first year-over-year monthly gain with the upward trend continuing through the end of the year. Industry shipments for the year-to-date stand at 51,606 homes compared with 50,046 homes in the previous year, a net increase of 3.1 percent.

The seasonally adjusted annual rate (SAAR) of shipments was 55,478 in December, down 18.9 percent from the rate of 68,389 in November 2011. The SAAR corrects for normal seasonal variations in shipments and projects annual shipments based on the current monthly total.

Total floors shipped in December 2011 were 5,885, an increase of 33.6 percent over December 2010. The number of plants reporting production in December was 122, down three from last month. The number of manufacturing companies was 45, unchanged from the prior month.

Note: Shipment and production figures were impacted by the purchase of approximately 1,735 manufactured homes by the Federal Emergency Management Agency (FEMA). The FEMA homes were built and shipped in October, November and December of 2011. While a breakdown of FEMA homes by state and month is not available, these homes are included in the production and shipment figures provided in this report. States that serve as staging areas for warehousing homes or that received new homes in response to natural disasters, have the FEMA homes included in their monthly and annual shipment figures. In particular, in November a significant number of FEMA homes were shipped to Maryland, Alabama and North Dakota.

www.manufacturedhousing.org

Manufactured Home Shipments per Year

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
166	203	300	449	600	707	897	940	775	671	503

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
308	311	297	258	288	287	315	403	261	739	1867