Overall, Michigan’s policy environment offers some favorable policy infrastructure for owners of manufactured homes, including a few protections for homeowners living in manufactured home communities and municipal programs that encourage manufactured home ownership. However, there is ample room for improvement in policies that govern protections for homeowners in manufactured home communities, how community preservation is incentivized and the ways in which manufactured homes are titled, which has major implications for homeowners’ access to home financing.

STATE, LOCAL AND MUNICIPAL MANUFACTURED HOUSING POLICY

This policy snapshot reviews state and local policies that affect homeowners, home buyers, nonprofit dealers and developers and others with a stake in manufactured housing as a source of affordable housing, namely:

- Laws protecting homeowners living in manufactured home communities
- The right to treat manufactured homes as real property
- State programs & policies
- Local & municipal policy environment

AFFIRMATIVE PROTECTIONS FOR FUNDAMENTAL FREEDOMS. Almost half the states affirmatively guarantee fundamental freedoms—such as the right to canvas their neighbors, hold meetings, distribute flyers, and invite public officials and candidates to speak—to residents of manufactured home communities. Michigan does not have such a law.

PROTECTION AGAINST RETALIATION. Most states, even if they do not provide affirmative protections for fundamental freedoms, at least prohibit community owners from retaliating against residents for exercising these rights. Michigan’s general landlord-tenant law broadly prohibits retaliation for attempting to enforce rights, complaining to a government official about health or safety issues, or exercising a lawful act such as participating in a resident organization.

NOTICE BEFORE COMMUNITY CLOSURE. About half the states require a substantial notice period before a manufactured home community closes. Michigan’s failure to require a notice period leaves residents extremely vulnerable.
PROTECTION AGAINST ARBITRARY EVICTION. Some states protect homeowners in manufactured home communities from eviction or nonrenewal of their leases unless they have done something wrong such as failing to pay lot rent or violating a rule. Michigan provides this critical protection, requiring just cause for termination of a tenancy in a manufactured home community.

RIGHT TO SELL HOME IN PLACE. Manufactured home community owners can effectively prevent homeowners from selling their homes by reserving the right to reject any potential buyer as a resident. Many states—including Michigan—prohibit arbitrary rejection of a buyer’s application for residency.

RELOCATION EXPENSES. About 15 states—but not Michigan—have programs, usually funded at least in part by community owners, for paying the costs of moving the homes if a manufactured home community closes.

REQUIREMENT OF LEASE OF AT LEAST ONE YEAR. About twenty states—but not Michigan—require the owner of a manufactured home community to offer homeowners leases of at least a year. This requirement provides a modicum of security of tenure.

REQUIREMENT THAT COMMUNITY OWNER MAINTAIN THE COMMUNITY. Many states specifically require manufactured home community owners to maintain common areas, utility service, and other services so that they are clean, safe, and in good working order. Michigan environmental regulations require manufactured home communities to be maintained in a safe and sanitary condition. Other regulations require that roads within the community be maintained free of major defects, that playgrounds and recreation areas be kept safe, and that the electrical system be maintained in good repair.

ADMINISTRATIVE COMPLAINT PROCEDURE. Some states offer a simple administrative procedure for resolving residents’ complaints about their manufactured home community. Michigan’s Department of Licensing and Regulatory Affairs provides an administrative complaint procedure. More research is needed to determine how helpful it is to residents, however.

RESIDENT ABILITY TO ENFORCE THE LAWS. A right without a remedy is unlikely to be exercised. Recognizing this, many states specifically provide that residents have the right to enforce the manufactured home community protections. Michigan specifically provides that residents have the right to enforce one of its manufactured home community laws—the one that requires a written lease, protects the right to sell the home, and restricts various charges and tie-ins. The law would be stronger if it applied to all violations of Michigan manufactured home community laws and if it provided for statutory or multiple damages and required the community owner to pay the residents’ attorney fees whenever the residents prevailed.
There do not appear to be any unusual barriers to licensure for nonprofit manufactured housing developers. To be licensed to sell manufactured homes, a developer must disclose criminal convictions and civil judgments, name an operator, pay a $450 fee, and post a $10,000 surety bond.

The Michigan Weatherization Assistance Program serves those living in manufactured housing on the same basis as those living in traditional site-built housing, with the difference that “belly” or floor insulation would be installed when appropriate for a manufactured home. Families living in manufactured homes also appear to be eligible on the same terms as other households for the energy efficiency programs offered by the two major utilities in the Detroit metropolitan area, DTE Energy and Consumers Energy.

In Michigan, a manufactured home can be treated as real property if it is affixed to land in which the homeowner has an ownership interest, but not if the home is on leased land. The Michigan procedure is also unworkable for those in resident owned communities even though they have a level of ownership interest in the land, because title to their homes would merge with title to the land.

The way in which a state governs the titling of manufactured homes, especially when homes may be converted from personal property to real property, has major implications for owners and purchasers. Although a modern manufactured home may be indistinguishable from a site-built home to many observers, it is typically considered personal property, like a car or a television set, rather than real property, absent some sort of conversion to real property. This classification as personal property, along with other issues common to manufactured housing, often keeps homeowners from enjoying the same security and potential for wealth creation enjoyed by owners of site-built homes.

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The Michigan State Housing Development Authority oversees a number of specialized programs to assist consumers, nonprofit organizations and community members. Nonprofit organizations and consumers can access the program funds to purchase or repair manufactured homes or replace a home completely if rehabilitation is not possible. Residents of manufactured housing communities can access program funds if the community is approved by the agency.
LOCAL ZONING AND FEE SIMPLE MANUFACTURED HOMES
A Michigan statute prohibits local governmental ordinances from excluding manufactured homes, whether generally or by adopting roof configuration standards or special use zoning requirements.

MORATORIUMS ON CLOSURE OR REDEVELOPMENT OF MANUFACTURED HOUSING COMMUNITIES
Michigan statutes explicitly allow municipalities to adopt interim zoning ordinances that prohibit uses that conflict with a zoning ordinance that the municipality is considering. The interim ordinance may last for a year, and may be extended for two years.

LOCAL TAX & OTHER FINANCIAL INCENTIVES
Municipalities in Michigan have not adopted tax or other financial incentives for preservation of manufactured home communities.

LOCAL RENT CONTROL
Municipalities in Michigan have not adopted rent control ordinances for manufactured home communities.

MANUFACTURED HOUSING INCLUSION IN CONSOLIDATED PLANNING, MUNICIPAL PLANNING AND COMPREHENSIVE PLANNING
Michigan allows units of local government to adopt master plans, but does not require them to address manufactured homes or manufactured home communities. Michigan’s 2012 draft consolidated plan appears not to mention manufactured homes. However, the state’s property improvement program does provide funding for the rehabilitation of homes and structures that are too dilapidated to be repaired are replaced with manufactured homes.

Note: The content in this Policy Snapshot was collected by the National Consumer Law Center and CFED.