

**CITY OF BALTIMORE
COUNCIL BILL 09-0136R
(Resolution)**

Introduced by: Councilmembers Henry, Cole, Branch, Kraft, D’Adamo, Middleton, Reisinger,
Clarke, Curran

Introduced and read first time: June 15, 2009

Assigned to: Community Development Subcommittee

REFERRED TO THE FOLLOWING AGENCIES: Department of Housing and Community Development,
Department of Finance

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Investigative Hearing – Urban Modular Home Factory**

3 FOR the purpose of scheduling an investigative hearing on the feasibility of Baltimore City
4 creating and operating an urban modular home factory; requesting the Commissioner of
5 Housing to explore the efficacy of modular homes in urban areas; and asking the Director of
6 Finance to determine the fiscal impact of the City entering into the modular home building
7 arena.

8 **Recitals**

9 A builder/developer of modular homes from Detroit describes the homes as ones in which
10 approximately 80% of the construction takes place in a factory-controlled environment, but
11 which is built with the same materials and to the same local building codes that govern site-built
12 homes, and holds that modular construction is ideal for the challenges faced in urban areas
13 because, in part, it is:

- 14 • Neighborhood friendly – Since most of the homes’ construction occurs off-site there
15 is less impact on the local environment; traffic from trucks and cars, delivery
16 materials, subcontractors, and supervisors is dramatically reduced; and the noise
17 pollution generated by site built techniques is reduced.
- 18 • Environmentally-friendly – The homes are energy efficient and have minimal
19 construction impact. Construction items are collected in the plant for recycling, thus
20 limiting landfill usage.
- 21 • Quick – There is a shorter lead time between order and delivery of the home – a
22 typical modular home takes weeks to deliver; a site-built home can take many months
23 or even years.
- 24 • Energy efficient – The greatest threat to energy efficiency is air filtration through
25 seams and joints. In modular construction, this is minimized because entire walls,
26 floors, and ceilings are constructed as large units or panels, resulting in fewer seams.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 Urban areas across the country are turning to modular homes to respond to the shortage of
2 affordable housing. In Seattle, modular apartments are being built to appeal to young
3 professionals who are mobile, educated, adept with technology, and environmentally aware. The
4 15 feet wide and 45 feet long modules can be coupled side by side to create apartments with up
5 to 3 bedrooms. They can also be stacked up to 5 high and arranged lengthwise or width-wise in
6 rows to create apartment buildings with up to 100 units.

7 Across the diverse topography of New York and well known areas of New York City,
8 modular green homes are popular because they generally cost 10-35% less than site built homes,
9 are better sealed and insulated, and improve overall energy performance and lower energy costs.
10 And in 2 Detroit neighborhoods, the 74 modular homes built in partnership with community
11 groups at a combined cost of \$17 million range in size from 1,450 to 1,650 square feet, making
12 them compatible with existing neighborhood development.

13 Should Baltimore City opt to go into the modular home building business, experts estimate
14 that 3,000 units could be produced yearly to eliminate blighted housing and vacant lots and that
15 the enterprise would yield \$750 million in profit after 10 years and \$36 million in annual
16 property taxes.

17 In addition to benefits to the City, there is an upside to residents as well. Renters in
18 Baltimore would trade, for example, a \$600 payment for a \$500 mortgage and \$100 in property
19 taxes for the advantage of owning a new home. There would be a greater commitment to the
20 quality of life in neighborhoods populated by 30,000 new home owners and members of
21 homeowners or condominium associations.

22 In a city where there are 30,000 vacant properties and where homeownership is only dream
23 for low-income renters, every avenue to clearing the blight of vacant lots and providing the
24 stability of homeownership must be explored.

25 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That this
26 Body will schedule an investigative hearing on the feasibility of Baltimore City creating and
27 operating an urban modular home factory; requests the Commissioner of Housing to explore the
28 efficacy of modular homes in urban areas; and asks the Director of Finance to determine the
29 fiscal impact of the City entering into the modular home building arena.

30 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
31 Commissioner of Housing, the Director of Finance, and the Mayor's Legislative Liaison to the
32 City Council.