



American Planning Association

Making Great Communities Happen

Policy Guide on Factory Built Housing

Adopted by a Chapter Delegate Assembly, March 11, 2001, New Orleans, Louisiana
Ratified by the APA Board of Directors, March 12, 2001, New Orleans, Louisiana

Statement of the Issues Generally

Factory built housing plays an increasing role in the provision of housing in all market segments in the United States. With the increasing use of factory built housing, and the likelihood of continued increasing use, numerous issues have emerged related to design, quality, integration into established neighborhoods, siting, and community economics of factory built housing.

This policy guide urges consumers, planners, and government at all levels to recognize factory built housing as but one form of housing in a spectrum of housing choices offering distinct characteristics that meet the needs of many consumers. The guide also recognizes that factory built housing is a legitimate and acceptable alternative to traditional site-built housing. The housing guide should be used in reference to APA's Housing Policy Guide. APA encourages the production of a variety of housing choices to meet the needs of people at all income levels.

The policy guide further urges communities, through the planning process, to assess existing planning provisions for factory built housing and to design and implement new provisions where necessary that are consistent with the provisions of this policy guide.

For the purposes of this guide, factory built housing shall be addressed in two sections. The first section addresses manufactured housing as built under the 1976 Department of Housing and Urban Development (HUD) Manufactured Housing Code, preempting local code standards, and commonly referred to as "HUD Code Housing." The second section, to be developed, addresses modular housing. Modular housing is that form of housing which is built off-site in components or modules for later assembly on-site in accordance with locally adopted and enforced building codes.

Section I — Manufactured Housing

1. STATEMENT OF THE ISSUES SPECIFICALLY

Manufactured housing, like all development, must be considered within the context of local planning goals and objectives. A diversity of housing types may be used to meet housing needs and development goals, yet some forms may be less effective in meeting community character, preservation, sustainability, or aesthetic goals.

The use of manufactured housing has been clearly shown to be an economically efficient method of providing infill housing in urban areas. Manufactured housing plays an increasingly significant role in meeting rural housing needs. Manufactured housing land lease communities, commonly referred to as trailer or mobile home parks, have provided for consumer housing needs for decades. The use of manufactured housing in new subdivision development has proved to be a sound housing development method.

Notwithstanding the above, some infill areas, such as historic or conservation districts, pose legitimate constraints on the use of the manufactured housing form. Some communities are not suitably equipped with an appropriate planning process to ensure proper siting and establishment of

manufactured homes. Some land lease communities, particularly older ones, provide a substandard living environment and are in need of rehabilitation. Many jurisdictions have not revised planning techniques and requirements to more fully and compatibly incorporate opportunities for manufactured homes, relying instead on dated, unfair, and exclusionary regulatory barriers.

Design standards, uniformly applied to all forms of housing, can resolve these issues. Such standards should be proactive, non-discriminatory, and thoughtfully developed, rather than adopted in the heat of controversy.

Definitions in zoning ordinances should be clear. A manufactured house is a house built in conformity with the provisions of the federal HUD Code. Mobile homes are those built prior to the adoption of the HUD Code. Definition confusion is a barrier to the placement of manufactured homes.

Aging mobile home or "trailer" parks are an increasing problem. Many of these places were built prior to the adoption of HUD and local standards regulating land use. When in substandard condition, these developments often foment and sustain barriers. Where these places have deteriorated into substandard environments, they should be upgraded or eliminated using methods including, but not limited to, code enforcement, urban renewal, relocation assistance, utility extensions, and condemnation with compensation appropriate. Where persons are displaced as a result of upgrading, relocation assistance should be offered.

However, implementation of the Manufactured Home Improvement Act of 2000 (PL 106-569) enacted in December 2000 should facilitate greater public acceptance and more opportunities for the placement of manufactured housing. This establishes a consensus committee composed of members from the industry, users, general interest groups, and public officials selected by procedures promulgated by the American National Standards Institute. The committee is empowered to recommend to the HUD Secretary the adoption, revision, and interpretation of the federal manufacturing and safety standards, procedures, enforcement, and scope and conduct of monitoring. The act also addresses installation standards, affordable homeowner finance and protection issues, and the federal preemption, and is intended to encourage innovative and cost-effective construction techniques.

2. Findings

Since 1976, HUD has regulated manufactured homes under the Manufactured Home Construction and Safety Standards, which are commonly referred to as the HUD Code. At the time, these housing units were called "mobile homes," but in 1980 this designation was changed to "manufactured home" in recognition of the more durable and less mobile nature of these homes. Once sited, these homes are rarely moved.

Factory built housing comprised more than one-third of total new residential units in 1995. As indicated in the table below, manufactured homes dominated the factory built housing segment, growing from 68 percent in 1995 to 73 percent in 1999.

Segmentation of Factory Built Housing

Type	1995	1999
Manufactured homes	68%	73%
Panelized homes	26%	21%
Modular homes	6%	6%

Source: Manufactured Housing Institute

A 1985 nationwide survey by APA revealed that manufactured homes have not only become safer and more durable since the enactment of the HUD Code in 1976, but their appearance has improved

significantly. At the same time, public acceptance of manufactured homes has increased and some communities have revised their zoning and subdivision standards that govern manufactured homes and now permit such homes by right, even in their most restrictive single-family districts.

Many states have now enacted legislation requiring parity for manufactured housing with traditional forms of site built housing. Manufacturers are now designing manufactured housing that in many cases is compatible with the demands of infill development and sensitive to older established neighborhoods. Rather than rely on exclusionary zoning, jurisdictions should exercise generally accepted planning practices, appropriately incorporating manufactured housing.

Balance between housing needs and the need for stability of existing single-family neighborhoods is vital to communities. Manufactured housing, if not properly placed and sited, can conflict with established neighborhood development patterns. Owners will pay some price for siting a home in an urban environment. This may include additional costs for underpinning, roof material, siding, compatible design, and other components. These are factors that can be, and should be applied equally to site built homes. The inherent resistance to manufactured housing, however, may require more diligence in the design and administration of regulations.

Well conceived demonstration projects have been used to illustrate how new housing forms can be successfully incorporated into existing communities and neighborhoods.

3. Policy Positions For Manufactured Housing

GENERAL POLICY POSITION — APA National and Chapters support the use of manufactured homes where residential uses are permitted consistent with locally adopted plans, ordinances, and design requirements and the HUD Code, where locally adopted plans, ordinances, and design requirements are consistent with this policy guide.

Reasons to Support General Policy Position:

- A. The manufactured home is a major source of housing for young families, first time homebuyers, older adults, and others with limited income. In 1999 one-third of all new single-family homes sold were factory built. Exclusion of this housing source acts to exclude these and other groups and conflicts with APAs social equity policies.
- B. HUD has made expanded use of manufactured housing for affordable homeownership a key element of its National Home Ownership Strategy. APA is one of a number of national associations that make up HUDs National Partners in Homeownership and, along with other members of the partnership, is helping to formulate and carry out this strategy.
- C. Support for manufactured homes as a form of lower cost housing is consistent with APAs existing housing and social equity policies, which promote decent housing affordable to low- and moderate-income households in suitable living environments.

Specific Policy Positions

SPECIFIC POLICY POSITION 1. APA National and Chapters support reasonable, cost effective standards, including design standards, and administrative procedures for manufactured homes in local zoning ordinances and regulations.

Reasons to support specific policy position 1:

- A. Local zoning and subdivision standards should be crafted so that they encourage good siting and design without unnecessarily limiting the use of manufactured housing. These standards and the process for applying them should be applied equally to all housing forms.

- B. The HUD Code is a preemptive, uniform construction code that ensures that a manufactured home, regardless of where it is built in the U.S., will meet certain publicly adopted standards related to health, safety, and welfare.
- C. A growing number of states have enacted laws that prohibit the exclusion and unfair regulatory treatment of manufactured homes. Some states, moreover, call for parity in the regulation of manufactured homes and site-built housing. The Manufactured Housing Improvement Act of 2000 calls for federal preemption to ensure that disparate state or local requirements do not affect the uniformity and comprehensiveness of the HUD Code to be broadly and liberally construed.
- D. Manufactured homes should be allowed as a type of housing accommodated in residential zoning districts at the permitted density for the district. Issues of design and compatibility arising from manufactured housing zoning parity should be addressed for all forms of housing and should be addressed through generally accepted standards of planning practice.

SPECIFIC POLICY POSITION 2. APA National and Chapters encourage the development and adoption of model definitions, siting standards, and design standards to achieve local design and compatibility goals.

Reasons to Support Specific Policy Position 2:

Many communities are unprepared for the accommodation of manufactured housing and are unaware of legal obligations to accommodate manufactured housing in residential areas. APA can play a leadership role in preparing communities to accommodate manufactured housing in a satisfactory manner.

SPECIFIC POLICY POSITION 3. APA National and Chapters encourage states to take steps to ensure that installation and anchoring requirements for manufactured homes are adequate. Where unique environmental conditions exist, specific life safety standards should be coordinated with those required by HUD. These standards should be consistent with those set forth in the American National Standards Institutes publication, Manufactured Home Installation (published in 1994).

Reasons to Support Specific Policy Position 3:

About half of the states have adopted installation standards for manufactured homes that require these homes to be installed on properly engineered foundation systems. When properly anchored, manufactured homes perform on an equal basis with site-built dwellings in unique environmental conditions.

SPECIFIC POLICY POSITION 4. APA National and Chapters support the rapid implementation of the Manufactured Housing Improvement Act of 2000 and activation of the consensus committee so that new technologies, materials, and industry and consumer input may be responsively incorporated. The act provides for enforcement of federal installation standards if states do not adopt their own standards meeting or exceeding federal standards within five years of the adoption of the act. APA National and Chapters urge the immediate adoption of the federal standards and further urge states to adopt standards without waiting the maximum five years to act.

Reasons to Support Specific Policy Position 4:

- A. Typically, model codes such as BOCA and ICBO are revised on a three-year cycle. The HUD Code should undergo a similar revision schedule.
- B. There is a wide range of installation requirements across states, and many states have no installation code at all.

SPECIFIC POLICY POSITION 5. APA National and Chapters support and encourage the application of health and safety laws and the development of measures designed to

achieve the rehabilitation and modernization of aging and substandard land lease communities, commonly referred to as mobile home parks, while addressing the displacement of residents.

Reasons to Support Specific Policy Position 5:

Many aging land lease communities across the nation provide substandard living environments. The modernization and rehabilitation of these places would eliminate these conditions and improve the livability of the communities in which they exist.

SPECIFIC POLICY POSITION 6. APA National and Chapters strongly encourage voluntary certification of land lease community owners and managers through education and training.

Reasons to Support Specific Policy Position 6:

Professional management would result in better and more stable land lease communities, thereby assisting in the goal of providing adequate living environments.

SPECIFIC POLICY POSITION 7. APA National and Chapters support legislation that creates tax equity and consistent valuation among the various housing forms.

Reasons to Support Specific Policy Position 7:

An additional barrier to the placement of manufactured housing is the treatment of manufactured housing as personal property. Many jurisdictions oppose manufactured housing because units are often taxed as personal property rather than real property, producing lower tax revenue than traditional housing forms, which are taxed only as real property. Similarly, personal property financing carries higher consumer interest rates than mortgage loans for real property. Several states have adopted laws declaring manufactured housing, permanently installed, as real property for tax purposes. States have also been adopted permitting surrender of the estate title so that a real estate mortgage may be obtained, and that the mortgage is insurable without special endorsement.

SPECIFIC POLICY POSITION 8. APA National and Chapters should partner with the manufactured housing industry to: (1) Implement higher quality site planning and design; (2) promote a greater emphasis on community outreach; and (3) increase the use of various print and electronic media. The goal of this effort would be to better inform the American consumer and community decision makers about the positive attributes and opportunities of factory built housing.

Reasons to Support Specific Policy Position 8:

A history of poor planning and design and development problems have negatively affected the image of manufactured housing in many communities and among the general public. The industry has the responsibility to work with such agencies and organizations as HUD and APA to help make the case for more widespread acceptance of this dwelling type and its positive role in overall community development planning.

Section II — Modular Housing

(To be developed)

Exceptions from General Policy Position or Specific Policy Positions supported by specific finding or reasoning.

NONE TO DATE

This policy is subject to amendment for the purposes of the following:

1. Adding findings or supplementing previous findings with new data or interpretations;

and

2. Adding Specific Policy Positions based on new findings or reasoning that tend to add to or qualify, but not reject entirely, the General Policy Position, one or more Specific Policy Positions, or one or more Exceptions from Policy Positions.

Authority

Endnotes

Bibliography

American Planning Association. *Planning and Community Equity*. APA Planners Press: Chicago. 1994.

Gordan, Rose. Code Comparison Summary, University of Illinois at Urbana-Champaign School of Architecture-Building Research Council. December 1997.

Sanders, Welford. *Manufactured Housing Site Development Guide*. Planning Advisory Service Report No. 445. American Planning Association: Chicago. April 1993.

----- . *Regulating Manufactured Housing*. Planning Advisory Service Report No. 398. American Planning Association: Chicago. April 1986.

----- . *Manufactured Housing: Regulation, Design Innovations, and Development Options*. Planning Advisory Service Report No. 478. American Planning Association: Chicago. July 1998.