



Manufactured Housing Association for Regulatory Reform

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May 1, 2024

VIA FEDERAL EXPRESS

Hon. Adrienne Todman
Acting Secretary
U.S. Department of Housing and Urban Development
451 7th Street, S.W.
Washington, D.C. 20410

Re: Preempting Discriminatory Zoning Exclusion
of HUD-Regulated Manufactured Homes

Dear Acting Secretary Todman:

The Manufactured Housing Association for Regulatory Reform (MHARR) is a Washington, D.C.-based national trade organization representing the views and interests of independent producers of federally-regulated manufactured housing. Established in 1985, MHARR represents primarily smaller and medium-sized businesses throughout the United States.

We are writing to address a chronic and significant problem that has undermined the availability of inherently affordable, non-subsidized manufactured housing in many areas of the country, to the extreme detriment of American consumers of affordable housing, as well as the HUD Code manufactured housing industry, directly contrary to the fundamental mandate of the Manufactured Housing Improvement Act of 2000 (2000 Reform Law).

At a time when housing affordability in the United States is at an all-time low, and the American dream of homeownership is becoming unreachable for all too many Americans, HUD, contrary to applicable law, has failed – and continues to fail -- to vigorously advance and promote the nation's premiere source of affordable homeownership, HUD-regulated manufactured housing.

At an average sales price of \$127,300, according to 2022 U.S. Census Bureau data (the most recent available), a new HUD-regulated manufactured home costs consumers less than 25% of the price of a new site-built home (\$540,000 according to the same 2022 Census Bureau data). Moreover, modern, energy-efficient HUD Code manufactured homes, provide American consumers with inherently-affordable homeownership, without the need for costly taxpayer-funded subsidies, tax incentives, or other publicly-financed programs.

It is for this fundamental reason – inherently affordable homeownership, available to Americans at every income level – that Congress, in the watershed Manufactured Housing Improvement Act of 2000,

unequivocally directed HUD to “facilitate the availability of affordable manufactured homes ... for all Americans.” (42 U.S.C. 5401(b)(2)).

Yet, today, nearly a quarter century following the enactment of the 2000 Reform Law, HUD still has not implemented one of that law’s most important provisions, related directly to the availability of affordable manufactured homes in all areas of the United States. Specifically, HUD has failed to utilize the enhanced federal preemption provided by the 2000 Reform Law to invalidate (or even challenge) discriminatory zoning laws and ordinances which exclude mainstream HUD-regulated manufactured housing from many areas of the United States.

The amendment adopted in the 2000 Reform Law, expanded the reach of federal preemption under pre-existing law to broadly address any state or local “requirement” that interferes with HUD’s “superintendence” of manufactured housing and the manufactured housing industry. And, to make absolutely clear that this mandate includes the preemption of exclusionary and discriminatory zoning “requirements,” the leading congressional proponents of the 2000 Reform Law wrote to the then-HUD Secretary in 2003, that the “combined changes [in the law] have given HUD the legal authority to preempt local requirements or restrictions which discriminate against the siting of manufactured homes (compared to other single family housing) simply because they are HUD Code homes.” (See, copy attached hereto).

HUD’s long-term failure to enforce this enhanced federal preemption in order to eliminate discriminatory and exclusionary zoning requirements in many areas, including large areas of urban and suburban America, where the need for affordable housing is *greatest*, has not only harmed and restrained the HUD Code manufactured housing industry – which, in 2023 saw production levels shrink again to below 100,000 homes – but is an extreme disservice to millions of lower and moderate-income Americans in need of affordable homeownership.

Acting Secretary Todman, the 2000 Reform Law is clear and unequivocal – affordable, non-subsidized, mainstream HUD Code manufactured housing must be an available option for all Americans as a national housing priority that is not subverted by the parochial prejudices or biases of local governments or authorities. It is HUD’s solemn responsibility to enforce that statutory directive and thereby help ensure housing affordability. HUD, accordingly, should take aggressive action to end zoning discrimination against manufactured housing and manufactured housing residents, and seek, as necessary, all appropriate administrative and judicial remedies toward that end.

We will contact your office soon to schedule a meeting to address this and other pending manufactured housing regulatory matters. We thank you and look forward to working with you to completely fulfill the beneficial vision of the 2000 Reform Law for American consumers of affordable housing.

Sincerely,

Mark Weiss
President and CEO

cc: Hon. Julia Gordon, Federal Housing Commissioner
HUD Code Manufactured Housing Industry Members