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Opinion

Advancing racial equity through manufactured housing

By **Lesli McCollum Gooch**

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As policymakers in Washington seek federal interventions to support racial equity, an important element of the strategy should be increasing the minority homeownership rate. The American Dream of homeownership remains a leading source of wealth accumulation, which means achieving it can result in a meaningful catalyst toward equality. According to the Urban Institute, “[the gap in the homeownership rate](#) between black and white families in the U.S. is bigger today than it was when it was legal to refuse to sell someone a home because of the color of their skin.”

Addressing systemic barriers to minority homeownership is imperative and increasing the supply of quality affordable housing must be an integral part of the effort. This is where manufactured housing comes in. Constructed according to a federal building standard that is administered by HUD to ensure quality and safety, manufactured homes are the most affordable homeownership option available. With the average cost of a new manufactured home itself below \$80,000, it is not uncommon for the purchase of a manufactured home to be less expensive than the option of renting. And unlike other affordable homeownership options, which are often aging housing stock in need of extensive improvements and rehabilitation, a family can attain homeownership in a brand new home that has the latest innovations, energy efficient features, and modern floor plans and amenities.

The Biden Administration — and incoming HUD Secretary Fudge — have a great opportunity to advance their racial equity agenda by stepping up HUD actions to support manufactured housing. It is the one form of single family housing that is regulated by HUD and the law already requires HUD to “facilitate

the availability of affordable manufactured homes to increase homeownership for all Americans.” (42 USC 5401(b)(2)).

To advance racial equity, HUD must stop localities from excluding manufactured homes from their communities, which many have done through actions which range from exclusionary zoning restrictions to outright prohibitions against manufactured homes. The Manufactured Housing Improvement Act of 2000 specifically states that when HUD construction and safety standards are in effect, a locality does not have authority to establish different standards. The statute explicitly states that this preemption should be “broadly and liberally construed” to avoid disparate local requirements. HUD has the authority and duty to pursue more vigorous enforcement of this provision, which clearly establishes federal supremacy for manufactured housing construction.

Unfortunately, due to lax enforcement of preemption by HUD, many localities use construction requirements that deviate from the HUD Code to accomplish an underlying objective of zoning out manufactured housing (or making it prohibitively expensive). To address this, HUD must strengthen preemption enforcement. HUD must provide clearer, more transparent guidelines for compliance, and HUD must respond promptly and definitively whenever localities violate this provision and are called out for such violations.

In some cases, this exclusion of manufactured housing amounts to a violation of the Fair Housing Act. A year ago, the Manufactured Housing Institute (MHI) weighed in with concerns about potential changes to the HUD Affirmatively Furthering Fair Housing (AFFH) rules – offering specific suggestions about preserving the ability under AFFH to prevent localities from excluding manufactured housing from their communities in a manner that violates our federal Fair Housing laws. Ultimately, HUD replaced the AFFH assessment tool with a certification process as part of determining compliance with the fair housing requirement.

While MHI appreciates that manufactured housing regulations and restrictions were listed in the certification process as one of 16 barriers to affordable housing, AFFH compliance rules and the process should be strengthened. The end result should be that local citizens and affordable housing developers (including manufactured housing providers) have sufficient tools and legal authority to contest local actions that violate fair housing by restricting or zoning out affordable homeownership options such as manufactured homes from their community.

COVID has exacerbated racial and economic disparities in this country. It is timely to take action to help reverse this trend in the one area that has been one of the most critical sources of wealth building in this country — homeownership. To achieve racial equity, HUD should take seriously its mandate to support the growth of manufactured housing to increase homeownership for all.

Lesli McCollum Gooch, CEO, Manufactured Housing Institute