

Manufactured Housing:

A Resource for Engaging Nonprofit Boards and
Community Stakeholders

[Why should you download
these resources?](#)

[Nonprofit Boards
Presentation Guide](#)

[Community Planning/
Council Boards
Presentation Guide](#)



Manufactured housing represents a potential untapped, affordable housing resource in communities across the country. Constructed, developed and financed differently from site-built housing, manufactured housing presents opportunities for community development and housing organizations to be resilient in meeting the needs of their communities. Manufactured housing can be one of many solutions when building affordable homes.

Historically, the benefits of manufactured housing have included:

- Faster construction times.
- Greener construction processes resulting in less waste.
- Cost savings over site-built housing in the final product.

While recent supply chain and material pricing issues have resulted in longer wait times and reduced financial benefits, markets still exist across the country where these savings can be realized. Educating rural community leaders on modern manufactured housing benefits, while dispelling stereotypes based on decades-old knowledge, can lead to greater acceptance from code land use regulators and neighbors alike.

Recognizing that a fundamental knowledge gap exists that could prevent organizations from leveraging this type of housing in their housing and community development efforts, NeighborWorks America has developed tools and resources that address core competencies to foster greater use and acceptance of manufactured homes. The end goal of these efforts is safe, affordable homes in rural communities, and this resource provides yet another tailored solution to explore in meeting this need. Ultimately, successful development efforts could generate earned revenue for organizations and increase access to affordable housing options in the communities that they serve.

Why should you download these resources?

To address this challenge and help organizations advance manufactured housing activities and programs in their communities, NeighborWorks America partnered with [Next Step, Inc.](#) to develop four tools.

If you are still learning about manufactured housing and laying the foundation for introducing the idea to your organization, download [Manufactured Housing: Blueprint for Affordability and Community Impact](#), which can serve as a primer for nearly all topics related to the use of manufactured housing as an affordable housing tool.

If you are familiar with manufactured housing and are seeking support from organizational or community leadership, download one of two PowerPoint presentations that fit your desired audience:

- ▶ [Download the Nonprofit Board PowerPoint presentation](#), which is intended to educate boards about the advantages of pursuing manufactured housing as an affordable housing strategy in their communities. The Nonprofit Board Guide below offers a preview of the presentation.
- ▶ [Download the Community Stakeholder PowerPoint presentation](#), which is intended to educate planning councils, local officials and the broader community about the advantages of pursuing manufactured housing as an affordable housing strategy. The Community Planning/Council Boards Guide below offers a preview of the presentation.

NeighborWorks America also offers [training, certification and professional development](#) to build your skills and expertise. Visit our website to see what in-person or online classes are available.

Nonprofit Boards Presentation Guide

[Download the nonprofit boards PowerPoint presentation](#) to educate nonprofit boards about the advantages of pursuing manufactured housing as an affordable housing strategy in their communities. The guide below is a preview of the PowerPoint presentation.

Slide 2

Why manufactured housing?

Manufactured homes, also known as factory-built homes, are modern and energy efficient. They can be built with custom home features such as:

- tray ceilings
- high-end kitchens
- walk-in closets
- well-appointed bathrooms
- covered porches
- higher roof pitch
- decks
- garages

These homes are constructed in controlled conditions, indoors, with state-of-the-art, assembly-line techniques and licensed building trades experts. The same or superior materials are used to build manufactured homes as for site-built homes. Manufactured homes are less expensive to build and purchase due to construction efficiencies.

Slide 3

Why manufactured housing?

Manufactured homes can be built/purchased with the Energy-Star rating.

This rating is for the whole house, not just the appliances. Manufactured homes can and do appreciate in value as long as they are well-maintained. *The graph on this slide shows that site-built homes and manufactured homes appreciate at nearly the same rate as long as they are well maintained.*

Manufactured homes are an affordable option for buyers in an unstable housing market. HUD regulates the design, construction, quality, transportability, durability, fire resistance and energy efficiency of the homes and monitors compliance with the federal building code.

Advantages of owning a factory-built home:

- Materials are purchased in bulk quantity.
 - Due to these bulk construction goods, manufactured homes cost less per square foot to build than site-built homes, making them a more affordable option.
- Homes are constructed in a controlled environment with greater precision, greater security and no weather delays.
- Homes are constructed by skilled workers.
- Homes are constructed with efficient and reduced construction cost.
 - There is reduced waste and less material theft.
 - Manufactured homes can be built in about one-third of the time it takes to construct a site-built home.
- Rapid completion once the home is on site; when the house gets to the site, it is nearly 90% complete.
- Today's models incorporate modern design. Builders can customize homes to customers' needs with wood floors, tile, granite countertops, jetted tubs, fireplaces, garages and landscaping.
- Consumers have a full appliance package of name brands.
- Inspected by HUD contractors.
- Next Step homes include:
 - Universal design (accessibility), 2x6 exterior walls, Energy Star Construction ENERGY STAR-rated windows.
- All manufactured homes are wind tested to 70 MPH and 110 MPH in hurricane-prone areas.

Slide 4

Developing or expanding a real estate line of business

Nonprofit boards considering developing or expanding a real estate line of business using manufactured housing should consider:

- Mission and vision cohesion
 - Organizations that have implemented manufactured housing into their lines of business see the need for affordable housing and understand how manufactured housing can play a role in providing more housing for families.
 - When organizations are talking with their boards about manufactured housing, they should be able to provide success stories, show visuals of completed homes, and provide proformas and how this will benefit the organization.
- Fitting into a real estate line of business.
 - Sophisticated organizations can make purchasing a home a “one-stop shop” by developing the home, being the real estate broker for the home’s sale, and serving as the buyer’s lender. Some organizations may be able to offer down payment assistance for the buyer.
- Differences in developing with manufactured housing versus site-built:
 - Having development experience is an advantage when starting with manufactured housing.
 - Work with the cities and their departments to understand the nuances of developing manufactured housing. Educating cities and their departments about manufactured housing may be essential for an organization to develop in some markets.

Slide 5

Getting started with manufactured housing programs

How do developers get started with manufactured housing programs?

- First, by engaging a retailer or manufacturer
 - Organizations looking to develop with manufactured homes and work with a manufacturer directly will need to be a licensed retailer in the state where they work.
 - Becoming a retailer and purchasing from the factory allows developer organizations to buy homes at wholesale, control the site work, and oversee every aspect of the construction and installation of the home on-site or, in short, be the general contractor over the home completion.

- Licensing as a retailer varies by state. In some states, bonds, testing and other requirements may be necessary. Organizations will need to check with the state manufactured housing association or department of housing to determine the requirements. For those organizations that can't oversee a project or don't have the experience, organizations can work with retailers to receive a turn-key completion of the home. Working with a vetted retailer, the house is ordered, installed and completed using the retailer and contractors to complete the home. The retailer is responsible for the warranty and service of that home.
- Home Placement Options
 - Manufactured homes can be a solution for quality homes in various settings. Manufactured homes can be used in urban infill lots within a city and suburban areas where a subdivision may be developed using manufactured homes. Homes can be placed in a manufactured home community or rural areas where homes are on personally owned land.
 - Product Considerations
 - Choosing the correct type of manufactured home will be determined by the location and the lot the house will be placed on. Things to consider when selecting the kind of home are lot orientation, lot size and topography, to name a few. Single-section manufactured homes can be used on more narrow lots; a multi-section home can be in two or more sections and oriented as a ranch style or an end-loaded home.

Slide 6

Getting started with manufactured housing programs

How do developers get started with manufactured housing programs?

- “New Class” or “CrossMod” are industry terms for a manufactured home that meets the Fannie Mae MH Advantage and Freddie Mac CHOICEHome lending programs. These homes are designed to be comparable to site-built construction. They are built to the HUD code but have characteristics of a site-built home.
- The “new class” manufactured home is a home set low to the ground with a front porch and an attached garage. These homes are typically labeled to meet the Freddie Mac CHOICEHome and Fannie Mae MH Advantage requirements. These homes can have conventional financing and use site-built comparables for the appraisal.
- Here is a general list of what is included in the “new class” of homes:
 - Minimum roof pitch of 5/12, with 4” eaves.
 - The permanent foundation must meet HUD’s Permanent Foundation Guide for Manufactured Housing. It must be engineer designed and certified for the specific dwelling and site, and include a perimeter mortared masonry blocking wall set on a poured-perimeter footer.

- Designed with a low-profile/residential set finished floor set, the elevation should not exceed 30 inches from the bottom of the first-floor joist to the exterior grade for the front or entry (this is an installation standard, not a manufacturing requirement).
 - Must include at least two of the following features: Garage or carport, dormers, and covered porch.
 - Siding materials may be any of the following materials: Vinyl, fiber cement, stucco, engineered wood siding, hardwood siding, brick or synthetic stone.
 - Drywall finishes throughout with upgraded finishes are optional. Bath and kitchen cabinetry with solid wood or veneer wood fronts (no paper-wrapped cabinet doors or stiles). Showers and tubs must be acrylic, composite, enamel/porcelain coated-steel, fiberglass, solid surface or tile.
 - Must be built to exceed current HUD energy-efficiency requirements for the property location. The dwelling must have minimum insulation values of 33 (ceiling), 11 (wall), and 22 (floor); Low-E windows and a programmable thermostat.
- Considerations for scalability and growth
- Organizations can scale this type of construction with urban infill, or manufactured homes can be used in a subdivision or planned development.
 - Financing is critical for a successful project, and you may be unable to do this without a subsidy.
 - Staff capacity is another point for scalability and growth. It can be helpful to have a dedicated staff member who is fluent in manufactured housing, knows development or partners with a developer who can do volume projects.
 - Rental may be a good option for some organizations to grow this line of business within their product offerings.
 - Becoming a licensed retailer or hiring a staff member who is a licensed retailer or has experience working on a manufactured home retail lot is also a good idea.

Slide 7

Counseling clients about factory-built homes

Factory-built housing can be an affordable option. When meeting with clients who have been priced out of the market, manufactured housing could be the solution the buyer is looking for.

Counselors can:

- Inform individuals and families of the options and opportunities related to manufactured housing. (Buyers may not be aware of the possibilities with manufactured housing in their markets.)
- Help their clients understand factory-built housing by discussing the elements and benefits.

- Advise the consumer to shop for the loan before visiting a dealer. Although factory-built homes are financed similarly to traditional site-built homes, there may be a different process.
- Advise on the two financing methods used most often (home-only and land-home) and inform the client of the other loan options available.
- Include factory-built homes in conversations with clients.
- Include materials in the intake packets and add a question to intake applications to help increase awareness of the available options.

Slide 8

Process for a buyer

Buying and financing a manufactured home is not that different from the traditional process.

Step One:

Talk to a housing counselor first! The buyer should know what they can afford before visiting a dealer.

Step Two:

The buyer must understand the key differences between financing a site-built home and a new MH home. A new MH home is less expensive than a comparable site-built home. The sources of where you get your loan might be different (GSE, FHA, dealer, private lender, HFA or non-profit.)

Step Three:

Counselors should advise on the amount the customer can afford to borrow. Address the role of down payment and closing-cost assistance and know the purchase costs associated with the manufactured housing purchase, land and installation. Counselors will also discuss the monthly fees associated with MH (mortgage, chattel, lease, rent, MI, taxes).

Step Four:

A buyer must know where the home will be located. Will they own the land or rent it? The siting of the home will determine the type of financing.

Step Five:

The counselor may advise the buyer on where they can purchase the home and land. The counselor may also discuss the types of loans available: mortgage vs. chattel and lender vs. dealer. Counselors discuss the types of security (mortgage vs. chattel), the importance of prequalification and the role of down payment assistance.

Step Six:

Buyers need to plan for maintenance and repairs, just like with a conventional home. Buyers should be aware of the ongoing costs of living in the home, and costs associated with a mortgage and non-mortgage loans. Inform buyers of the resources available to avoid foreclosure and delinquency, and invest in repairs and routine maintenance for future appreciation.

Slide 9

Financing options for factory-built homes

Chattel loans are personal property financing. They are used when a manufactured home is purchased and financed separately from the land. Chattel loans are not always necessary and are almost always more expensive. Features often include higher rates and shorter terms. The Consumer Finance Protection Bureau, or CFPB, reported that over 60% of manufactured home borrowers directly own the land where their home is located, meaning they may have been eligible for an MH mortgage. However, only 17% of these borrowers take out a chattel loan.

Mortgage loans are used when the manufactured home and land meet specific requirements and are purchased together as real property. The requirements may include a new home and installation on a permanent foundation on land owned or financed together with the home.

Who makes mortgage loans on manufactured housing?

Financial Institutions: This includes banks, mortgage companies, and credit unions.

Government Agencies: This includes the U.S. Dept. of Agriculture (USDA), Rural Development, FHA, VA, state housing finance agencies, nonprofit lenders and CDFIs. It is important to note that Fannie Mae and Freddie Mac have conventional mortgage products available to set manufactured housing on par with site-built financing. The latest duty-to-serve requirements from FHFA will incentivize traditional lenders to expand lending for manufactured housing. Here is a list of requirements for homes to be financed through Freddie Mac's CHOICEHome program or Fannie Mae's MH Advantage program:

MH Advantage® & CHOICEHomeSM

REQUIREMENTS & BENEFITS

HOME REQUIREMENTS



CHOICEHOME

HIGHER PITCH ROOF LINES

I.e. minimum 5/12 roof pitch

LOWER PROFILE FOUNDATIONS

Permanent foundation must include the presence of a masonry perimeter or perimeter blocking (no skirting).

ENERGY EFFICIENT FEATURES

Minimum insulation values of 33 (ceiling), 11 (wall), and 22 (floor), Low-E windows, and a programmable thermostat.

DRYWALL THROUGHOUT HOME

This includes all interior walls, ceilings, and closets.

OTHER SITE-BUILT COMPONENTS

Minimum of 1,200 sq. ft. and attached or detached garage or carport.

Things to Consider

The requirements for the homes through the two programs are very similar - The only difference is that some factories are approved for Freddie while others are only approved through Fannie; a few factories are approved through both. Generally, we've found that the Freddie CHOICE program requires slightly less architectural requirements than the MH Advantage program



Fannie Mae®

MH ADVANTAGE

HIGHER PITCH ROOF LINES

I.e. minimum 4/12 roof pitch

EAVES

Must be 6" or greater (which may be eaves no less than 4" to which site-completed gutters of 2" or more to be added).

LOWER PROFILE

Finished floor does not exceed 30 inches from the bottom of the floor joist to the exterior grade for the front or entry elevation.

ENERGY EFFICIENT FEATURES

On HUD Data Plate - Overall U-Value of 0.76% or less, or 2009 IECC, or Energy Star.

DRYWALL THROUGHOUT HOME

INTERIOR

Kitchen and bath cabinets with fronts of solid wood or veneered wood AND Fiberglass, solid surface, acrylic, composite, porcelain/enamel coated steel, or tile for all showers and/or tubs in the home.

OTHER SITE-BUILT COMPONENTS

Home is designed with Dormers and Covered Porch (minimum 72 sqft); OR Dormers and Attached Garage/Carport; OR Covered Porch (minimum 72 square feet) and attached Garage/Carport.

EXTERIOR SIDING

Comprised of one or more of the following - Fiber Cement Board, Hardwood Siding, Engineering Wood Siding, Masonry, Stone, Stucco, or Vinyl siding backed with Oriented Strand Board.

PROGRAM BENEFITS



Allows new manufactured homes to be appraised using site-built comparable homes vs. existing manufactured homes - This is a big deal, because new manufactured homes are currently often comped out against older manufactured homes - This disparity in cost vs. value can make these deals hard to complete.



ChoiceHome can be combined with Freddie Mac's HomeOne or Home Possible programs to allow the customer to build a new home using a One time Close construction loan with only 3% down on the entire project - MH Advantage can be combined with Fannie Mae's HomeReady program for the same 3% down requirements - This is lower than a customer could even get into an FHA loan which would always require 3.5% down minimum.



ChoiceHome and MH Advantage both help to address the affordable housing crisis - Customers can now get the value of a manufactured home with the aesthetics and comparable values of site-built homes without paying the costs associated with stick built.



Both ChoiceHome and MH Advantage allow for customer to use currently owned or gifted land as their down payment - Customers could come to closing with no additional money out of pocket.



Lower monthly mortgage insurance premiums for homes as they are classified as site-built vs. traditional manufactured.

SOURCE: WWW.MANUFACTUREDHOMES.COM

Graphic courtesy of ManufacturedHomes.Com posted June 6, 2019 titled "MH Advantage & ChoiceHome Requirements and Benefits."

Slide 10

Building key partnerships

Next, let's talk about building key partnerships.

- Jurisdiction planning and local officials
 - We want our city officials to be on board with a positive change and bring new construction and homes to the area. We can set up factory tours to help bring light to today's manufactured housing and hopefully change the stigma that many think of with manufactured housing.
- Community stakeholders
 - To avoid NIMBY-ism, we as an organization want to have conversations and community meetings with those in the neighborhood, explain that the vacant lots will be developed, and provide photos of the planned homes for the area. We want to be friendly neighbors and bring a positive change to the area.
- Manufacturers and retailers
 - Develop good working relationships with the manufacturers or retailers from which homes are being purchased. To be successful, everyone involved in the project should know the end goal. Retailers have the expertise in working in their service area and know what requirements need to be followed to place a home.
 - Retailers and manufacturers can guide organizations in selecting homes, options, and layouts to assist in the placement of the home on-site. Manufacturers do not build the same type of home, so understanding "who builds what" is crucial as you choose a product type.
- Lenders
 - Knowing who can finance manufactured housing is essential to a successful project. Projects will need lenders for construction financing and homebuyer financing specific to manufactured housing. Next Step has a listing of MH lenders on its website. State housing finance agencies are also a valuable resource.
- Successful MH developer organizations
 - Several nonprofit developers have been successful in the manufactured housing space. NeighborWorks America is an excellent resource to determine who is developing with this type of housing to make those connections. Best practices and lessons learned will be helpful as an organization begins its project.

Slide 11

Building key partnerships

This listing of organizations and collaboratives can provide support and information as we start with manufactured housing.

- [Next Step Network](#)
- Manufactured housing state associations
- [ROC USA](#)
- [Manufactured Housing Institute](#)
- [HUD's Office of Manufactured Housing](#)
- [FM Home Network](#)
- [Freddie Mac](#)
- [Fannie Mae](#)
- [MHVillage.com](#)
- [ManufacturedHomes.com](#)

Slide 12

Current landscape for zoning and land-use policies

Unfortunately, zoning and land-use laws often segregate or eliminate allowable placements for factory-built housing. Many of these were enacted in response to perceived concerns that manufactured housing would devalue the neighborhood or lower the community's design standards.

Implemented in 1976, the National Manufactured Housing Safety and Construction Act of 1974 (42 U.S.C. 5401-5426), also known as the HUD code, preempted state and local building codes governing the construction of manufactured housing units. While this effectively eliminated the state-level uncertainties surrounding the standards to which units would be constructed, the HUD code does not address state or local standards governing the placement of individual units onsite.

While states delegate authority for zoning to localities, they do not often affirmatively mandate zoning requirements due to the traditional deference of states to localities for determining local land-use rules. More recently, however, states have begun to set conditions on local zoning, sometimes in response to exclusionary single-family zoning requirements that have roots in racial segregation and discrimination.

However, many jurisdictions fail to update their zoning statutes to acknowledge changes in federal law. In particular, several local jurisdictions use the term "mobile home" in the zoning code without recognizing that the HUD Act made these uses illegal under federal law and defines a new use, manufactured housing to HUD code instead.

Local officials may assume that the zoning code reference to mobile homes is intended to encompass, and thus exclude, manufactured homes when the local code is simply outdated. Absent updated language or an express statute that puts manufactured housing on the same footing as site-built housing, the interpretation of outdated statutory language can serve as a barrier to manufactured housing placement in many residential zones.

Slide 13

Opportunities at the federal level

- [White House Housing Supply Action Plan](#)
- [Duty to Serve, Fannie Mae & Freddie Mac](#) (Support lending)
- [Innovative Housing Showcase on National Mall](#)
- [HUD Training for Counselors](#)
- Department of Energy pilot programs ([Energy Efficiency Materials Pilot Program | Department of Energy](#), [Energy-Efficient Manufactured Homes | Department of Energy](#), [Zero Energy Ready Homes | Department of Energy](#))
- [Consumer Financial Protection Bureau](#) (Broad research on lending)

Slide 14

Opportunities at the state and local level

There are also several state and local policies to know:

- [Tenant Protections in Leased Communities \(tenant-protections-manufactured-housing-communities.pdf \(freddiemac.com\), MH Communities with Tenant Site Lease Protections | Fannie Mae Multifamily Guide\)](#)
- [Recognizing Resident-Owned Communities](#)
- [State & Local Programs to Finance \(Oregon\)](#) and [Manufactured Home Loan Guide | 2022 Loan Options and Rates \(themortgagereports.com\)](#)

Slide 15

Glossary of Key Terms

There are also several state and local policies to know:

- **Chattel loan:** Type of financing for manufactured homes; also known as “home-only” or “personal property” financing.

- **CHOICEHome:** Loan product developed by Freddie Mac for manufactured homes.
- **Factory-built housing/homes:** General term of reference when communicating about home construction in a manufacturing environment; non-specific to manufactured, modular or other home types.
- **Manufactured homes:** Homes constructed in a factory and built to the national HUD code.

Slide 16

Glossary of Key Terms

- **Manufactured housing community:** A collection of factory-built homes that form a cohesive community structure; can be owned by a private entity or as a cooperative.
- **Manufactured housing retailer:** Locations facilitating the tour and sale of new manufactured homes.
- **Mobile homes:** A factory-built home constructed before 1976; used to refer to older, energy-efficient units that need to be replaced.
- **Modular homes:** Homes constructed in a factory and built to a state or local building code.

Slide 17

Glossary of Key Terms

- **MHAdvantage:** Loan product developed by Fannie Mae for manufactured homes.
- **Mortgage financing:** A type of financing where a home structure and land are jointly financed; also known as “land-home” or “real-property” financing.
- **Resident-owned community:** A manufactured housing community structured as a cooperative.
- **Site-built housing:** A general term used for housing constructed outdoors on a designated plot of land; it can be single- or multi-family.

Slide 18

Resource Library

Here are some places you can find additional data and statistics about manufactured housing:

- [The U.S. Census Bureau](#) and
- [The Manufactured Housing Institute](#)

Slide 19

Resource Library

These organizations can provide you with research and white papers about manufactured housing:

- [Next Step/Clayton](#)
- [Fannie Mae](#)
- [Freddie Mac](#)
- [HUD's Office of Policy and Research](#)
- [Urban Institute](#)
- [Manufactured Housing Opportunities for Growth](#) (Freddie Mac) - an online toolkit put together by Freddie Mac that covers new research they've conducted, zoning being a vital part of that research.
- [Manufactured Housing and Zoning: Old-School Ordinances or Progressive Policies?](#) (Next Step) - Sarah Gerecke conducted this analysis and literature review on current manufactured housing zoning and land-use policies.
- [The Role of Manufactured Housing in Increasing the Supply of Affordable Housing](#) (Urban Institute) - Urban dives into how manufactured housing can address affordable housing supply (zoning is a crucial topic).

Community Planning/ Council Boards Presentation Guide

Once you're confident community leaders understand the basic considerations around manufactured housing through the introduction provided through *Manufactured Housing: Blueprint for Affordability and Community Impact*, download the community planning/council boards PowerPoint presentation to move onto the next level of learnings tailored to community stakeholders. The presentation is tailored for community board leaders and is intended to lay the foundation for gaining approvals and acceptance with:

- Planning councils
- Citizen's advisory boards
- Public hearings
- Community-sponsored and neighborhood meetings
- Conferences
- Community task forces
- Community or council workshops
- Other asset-based approaches to community planning and development

The guide below is a [preview of the content contained in the PowerPoint presentation](#).

Slide 2

Why manufactured housing?

Factory-built homes, also called manufactured homes, are modern and energy efficient and can be built with custom home features like tray ceilings, high-end kitchens, walk-in closets, and well-appointed bathrooms. Covered porches, higher roof pitches, decks and garages can also be included based on the buyer's requests or needs. These homes are constructed indoors in controlled conditions, with state-of-the-art, assembly-line techniques and licensed building trades experts. The same or superior materials are used to build manufactured homes as they are for site-built homes. Still, manufactured homes are less expensive to build and purchase due to construction efficiencies. These homes are more affordable than site-built homes and are constructed to meet snow and wind standards.

Slide 3

Facts about manufactured housing

Manufactured homes can be built/purchased with the Energy-Star rating for the whole home, not just the appliances. They have the potential, if well-maintained, to appreciate at a similar rate to site-built homes in the same housing market. Manufactured homes are an affordable option for buyers in an unstable housing market. HUD regulates the design, construction, quality, transportability, durability, fire resistance and energy efficiency of the homes and monitors compliance with the federal building code. The graph shows a home price index where 1995 = 100, which measures appreciation from 1995 prices.

Slide 4

Today's manufactured housing fits into most neighborhoods

Today's manufactured homes can be built to resemble site-built homes so that they can fit anywhere. Traditionally, manufactured homes mainly appeared in rural areas, but they can also be placed in suburban areas, subdivisions, urban neighborhoods or urban infill.

Slide 5

Community development with manufactured housing

As mentioned earlier, manufactured homes can be built with today's popular exterior and interior features. When used as infill homes, they can be built in the style of other homes in the neighborhood to fit in with the area. Having empty lots can lead to blight, and infill homes improve the area tax base. There is a shortage of modestly priced housing, so manufactured homes can meet this need.

Slide 6

Facts about manufactured housing

Construction costs are rising, so it is essential to use knowledgeable manufactured housing community planners and engineers. Manufactured homes often cost more than 20% less per square foot than site-built homes, despite comparable interiors.

Slide 7

How developers get started with manufactured housing programs

- Retailer or Manufacturer
 - Retailers will provide a turnkey home placement package, which includes overseeing the ordering of the home, transportation to the site, installation, the contractors and completion of the home.
 - Developers who can act as the general contractor and are licensed to purchase manufactured homes directly from a manufacturer can oversee the entire project to get that home completed.
- Home Placement Options
 - Manufactured homes provide quality homes in various settings. Manufactured homes can be used in urban infill lots within city and suburban areas where a subdivision may be developed using manufactured homes.
 - Manufactured homes can also be placed in land-lease communities or manufactured home communities. The resident either owns or rents the home and leases the lot that the home is sitting on. Cooperatives are another option; residents own the community as a whole, and each resident owns their home individually.

- Product Considerations
 - Manufactured and modular housing are both factory-built, but constructed to different building codes. Manufactured homes are built to the HUD code, whereas modular homes are built to the local state code. Both are built in factories and often, in the same factories, using the same materials. A manufactured home has a steel chassis that is part of the home's structural integrity.
- Single sections are one unit and are self-contained and can range from 500 sq. ft. to approximately 1,300 sq. ft. Multisection homes arrive in sections and are put together on site; these homes can range from 1,000 sq. ft. to as large as 2,500 sq. ft., and, in some cases, even larger.
- New Class MH/CrossMod
 - “New Class” or CrossMod is a manufactured home with a high roof pitch, set low to the ground with a front porch and an attached garage to achieve a look similar to site-built homes. These homes are meant to help support the expanding gap in housing affordability and are typically labeled to meet the Freddie Mac CHOICE Home and Fannie Mae MH Advantage requirements. These homes can have conventional financing and use site-built comparables for the appraisal.

Slide 8

Local zoning can be a barrier to today's manufactured housing

The HUD code pre-empts local building codes but not land use or zoning codes. Based on the HUD code, “mobile homes” are no longer being built. Although HUD approves the home, it cannot be placed in certain locations due to zoning regulations. The National Manufactured Housing Safety and Construction Act of 1974 established the design and development of safety standards for manufactured housing. Modular and panelized housing must meet local building codes rather than the HUD code.

Slide 9

‘MH friendly’ jurisdictions According to Freddie Mac, the more stringent the zoning regulations in a jurisdiction, the lower the percentage of manufactured homes as a share of occupied housing units. Many zoning officials do not realize that today's manufactured homes look similar to site-built housing. So, the stricter a state's regulation around residential land use, the smaller the number of manufactured homes shipped to that state. The Midwest has the highest proportion of MH-friendly jurisdictions, and the Northeast has the lowest.

Slide 10

According to Freddie Mac, a jurisdiction is considered “MH friendly” if it meets the following criteria:

- Has a lot-size requirement of a half acre or less.
- Has a Wharton Residential Land Use Regulation Index (WRLURI) value less than the median index value.
- Allows placements to some extent, or at least does not ban them outright.
- Imposes no constraints on new housing supply.
- Strongly encourages the inclusion of manufactured housing through the designation of manufactured homes as real property, zoning, and consistent treatment with other housing types.

Slide 11

Supporting state and local zoning

Manufactured homes can bring more housing to a tight market and be designed to fit into local neighborhoods. They come in many shapes and sizes, such as ranch-style, “shotgun” style for narrow lots, etc. Manufactured homes can bring increased revenues to communities, and provide lower home prices, and the opportunity to be proactive leaders when working with a local planning commission.

Slide 12

To be inclusive with zoning regulations:

- Update zoning policy to remove outdated references to trailer parks or mobile homes.
- Explicitly treat manufactured homes the same as any other single-family home.
- Ease or eliminate minimum square footage requirements for new homes.

Slide 13

Example: Washington State zoning policy for manufactured housing

Washington State instituted the following guidelines:

A “designated manufactured home” is a manufactured home constructed after June 15, 1976, that meets state and federal requirements for manufactured homes. Guidelines include

- (a) Must be comprised of two or more sections, each not less than 12' x 36';
- (b) Has a composition or wood shake or shingle, coated metal, or similar roof of nominal 3:12 pitch.
- (c) Has exterior siding similar to siding materials commonly used on conventional site-built uniform building code single-family residences.

In addition, the residence cannot be a “used” manufactured home.

Slide 14

Washington State:

Cities and counties may, under this legislation, require that these manufactured homes:

1. Be new manufactured homes.
2. Be set on a permanent foundation.
3. Comply with any local design standards that may apply to all homes in the neighborhood in which the home is located.
4. Be thermally equivalent to the state energy code.
5. Otherwise meet requirements for a “designated manufactured home.”

Slide 15

In Washington, manufactured housing cannot be discriminated against by passing any restriction that would place the manufactured home in a difficult situation that a site-built home would not encounter. There is a statewide prohibition against local governments passing ordinances that would be more restrictive than those applicable to site-built homes. The state provides a dispute resolution program that does not require the tenant to hire an attorney. Homeowners who rent space in a park are eligible for this assistance. The regulations also state that a manufactured home park only needs two homes.

Slide 16

Other state and local policies that allow for manufactured housing zoning

- Tenant Protections in Leased Communities ([tenant-protections-manufactured-housing-communities.pdf \(freddiemac.com\)](#)), [MH Communities with Tenant Site Lease Protections | Fannie Mae Multifamily Guide](#)
- [Recognizing Resident-Owned Communities](#)
- [State & Local Programs to Finance \(Oregon\)](#) and [Manufactured Home Loan Guide | 2022 Loan Options and Rates \(themortgagereports.com\)](#)

Slide 17

Building Key Partnerships

- Community Stakeholders
 - To avoid NIMBY-ism, an organization should have conversations and community meetings with those in the neighborhood, explain that the blighted lots will be developed, and provide photos of the planned homes for the area.
- Manufacturers and Retailers
 - Develop good working relationships with the manufacturers or retailers from which homes are being purchased. To be successful, everyone involved in the project should know the end goal. Retailers have the expertise in working in their service area and know what requirements need to be followed to place a home. Retailers and manufacturers can guide organizations in selecting homes, options, and layouts to assist in the placement of the home on-site. Manufacturers do not build the same type of home, so understanding “who builds what” is crucial as you choose a product type.
- Lenders
 - Knowing who can finance manufactured housing is essential to a successful project. Projects will need lenders for construction financing and homebuyer financing specific to manufactured housing. Next Step has a listing of manufactured housing lenders on its website. A good resource is also the state housing finance agencies.
- Successful manufactured housing developer organizations
 - Several nonprofit developers have been successful in the manufactured housing space. NeighborWorks America is an excellent resource to determine who is developing with this type of housing to make those connections. Best practices and lessons learned will be helpful as an organization begins its project.

Slide 18

[Next Step hosted a Manufactured Zoning Roundtable in July 2022.](#) The panel consisted of advocates, professionals and policymakers.

Slide 19

Glossary of Key Terms

- **Chattel loan:** Type of financing for manufactured homes; also known as “home-only” or “personal property” financing.
- **CHOICEHome:** Loan product developed by Freddie Mac for manufactured homes.
- **Factory-built housing/homes:** General term of reference when communicating about home construction in a manufacturing environment; non-specific to manufactured, modular or other home types.
- **Manufactured homes:** Homes constructed in a factory and built to the national HUD code.

Slide 20

Glossary of Key Terms

- **Manufactured housing community:** A collection of factory-built homes that form a cohesive community structure; the community can be owned by a private entity or as a cooperative.
- **Manufactured housing retailer:** Locations facilitating the tour and sale of new manufactured homes.
- **Mobile home:** A factory-built home constructed before 1976; used to refer to older, energy-efficient units that need to be replaced.
- **Modular homes:** Homes constructed in a factory and built to a state or local building code.

Slide 21

Glossary of Key Terms

- **MHAdvantage:** Loan product developed by Fannie Mae for manufactured homes.
- **Mortgage financing:** A type of financing where a home structure and land are jointly financed; also known as “land-home” or “real-property” financing.
- **Resident-owned community:** A manufactured housing community structured as a cooperative.
- **Site-built housing:** A general term used for housing constructed outdoors on a designated plot of land; it can be single- or multi-family.

Slide 22

Resource Library

Here are some places where you can find additional data and statistics about manufactured housing:

- [The U.S. Census Bureau](#)
- [The Manufactured Housing Institute](#)

Slide 23

Resource Library

These organizations can provide you with research and white papers about manufactured housing:

- [Next Step/Clayton](#)
- [Fannie Mae](#)
- [Freddie Mac](#)
- [HUD's Office of Policy and Research](#)
- [Urban Institute](#)
- [Manufactured Housing Opportunities for Growth](#) (Freddie Mac) – an online toolkit put together by Freddie Mac that covers new research they've conducted, zoning being a vital part of that research.
- [Manufactured Housing and Zoning: Old-School Ordinances or Progressive Policies?](#) (Next Step) –Sarah Gerecke conducted this analysis and literature review on current manufactured housing zoning and land-use policies.
- [The Role of Manufactured Housing in Increasing the Supply of Affordable Housing](#) (Urban Institute) –Urban dives into how manufactured housing can address affordable housing supply; zoning is a crucial topic.