

Policies Related to the Preservation of Manufactured Homes and Manufactured Home Communities

Full paper will be available on the VHC website:
vhc.virginia.gov

Policy Introduction

Manufactured housing, built under the standardized federal HUD Code, is often discussed as a component of addressing housing supply shortages and affordability challenges.

Policies and challenges often vary based on:

- Whether a unit is located on **rural property or in a park.**
- Whether or not the unit is classified as **real property.**

This presentation outlines statewide policy efforts and options to increase permitting, construction, and ownership of manufactured and modular housing.

Policies that Mandate Zoning and Equal Permitting Consideration of Manufactured Homes

Around **half of U.S. states** have laws that specifically address zoning restrictions on manufactured homes. The scope and scale of these laws vary.

Model 1: Mandated Inclusion

This model mandates that if a zoning district allows for conventionally constructed single-family dwellings, it must allow manufactured homes.

Ex. California, Idaho*, Iowa, Kentucky, Maine, Maryland, Minnesota, Nevada, Ohio*, Oregon, Washington

Model 2: Ban on Exclusion

This model prohibits the **total exclusion** of manufactured housing by local governments but allows localities to regulate their location and other standards.

Ex. New Hampshire, North Carolina, Colorado, Indiana

Note: *Ohio prohibits requirements that specify a minimum roof pitch, *Idaho sets limitations on roof-pitch requirements

Requiring State Programs to Include Manufactured Housing

Policymakers and advocates are increasingly considering reforms that mandate the inclusion of manufactured housing in state-funded affordable housing programs.

California

Requires all state and local programs (loans, downpayment assistance, tax credits) to **include manufactured housing** when feasible.

Florida

The state **explicitly permits** its Local Housing Assistance Plan funds to be used for manufactured housing.

Minnesota

The Housing Rehabilitation Loan Program was **amended in 2021** to include manufactured homes.

Financial Incentives Promoting Resident Ownership

Some states and localities provide tax or other financial incentives when manufactured home community owners sell to entities that preserve affordability, such as to residents.

- ✓ Waiving or reducing **land transfer taxes**
- ✓ Providing a tax break on **capital gains**

Example (Montana): Capital gains income is **tax-exempt** when selling a manufactured home community to a qualified organization.

Example (Rhode Island): Exempts sales of manufactured or mobile communities to resident-owned organizations from real estate conveyance taxes

Policy: Opportunity to Purchase

These laws require owners of manufactured home communities to **notify residents of their intent to sell** the property.

This notice provides residents with time to make either a first offer or exercise a **Right of First Refusal** (ROFR).

Additional Policies & Programs

Additional policy options will be expanded upon in a report on the Virginia Housing Commission's website.

Additional policy topics include:

- Preservation and rehabilitation of manufactured Homes
- Programs that fund the creation of manufactured homes
- Right of First Refusal and other purchase opportunity policies
- Conversion to real property