



Energy Efficiency: Remove Regulatory Burdens to Affordable Housing

Eliminate Duplicative Enforcement of Manufactured Housing Standards

Background

The Energy Independence and Security Act of 2007 (EISA; P.L. 110-140) contains provisions requiring the Department of Energy (DOE) to establish and implement energy efficiency standards for manufactured housing (Sec. 413).

The bill specifically tasks the agency with developing regulations, in consultation with the Department of Housing and Urban Development (HUD), that are based on “the most recent version” of the International Energy Conservation Code (IECC) and that:

- take into consideration the design and factory construction techniques of manufactured homes
- are based on HUD-established climate zones
- provide for alternative energy efficiency practices
- are established by 2011 (four years from the bill’s date of enactment)

The energy efficiency standards developed by DOE for manufactured housing are comparable for site built homes and the agency is currently in the process of developing regulations. DOE anticipates it will publish a proposed rule by late-2010 or early-2011.

Issue Analysis

For nearly 35 years, the manufactured housing industry has constructed homes to a building code (HUD Code) that has been administered and enforced by HUD. During this time, the agency has served as the industry’s primary regulatory body. The HUD Code is uniquely designed to specifically address construction and design standards of manufactured homes. Placing the development and enforcement of energy standards within DOE effectively establishes a burdensome dual regulatory system on the manufactured housing industry.

While EISA requires DOE to use the most current version of the IECC, this code was one that was specifically designed to meet the demands of site-built homes and was not intended to apply to the design and construction of manufactured homes.

Furthermore, the IECC is designed to meet energy conservation needs of site-built homes through the development of model code regulations—for adoption by state and

local governments—without regard to cost-effectiveness or impact on housing affordability.

Manufactured homes serve as the predominant source of unsubsidized affordable housing. According to the American Housing Survey, the median income of a family living in manufactured housing was just over \$29,900. The average sales price of a new manufactured homes is roughly \$65,000, according to 2008 U.S. Census data.

The development of energy efficiency standards without regard to their applicability to factory-built housing could potentially place the cost of homes beyond the reach of thousand of very low- and low-income families. This issue is potentially compounded by placing enforcement of energy efficiency standards with an agency that has no experience and record that lacks substantive experience or understanding of the manufactured housing industry.

Key Talking Points/Rationale

MHI urges Congress to pass legislation that would place responsibility for implementing energy efficiency standards developed by DOE and industry within HUD's jurisdiction. In addition, Congress is urged to ensure that new standards strike a balance between energy efficiency and maximizing housing affordability for very low- and low-income families. Revised legislation is needed to:

- **Reduce the cost of duplicative and redundant enforcement regimes by eliminating regulation by two separate federal agencies** and placing the implementation and enforcement of energy standards established by DOE with HUD, which has nearly 35 years of experience and institutional expertise of serving as the primary regulator of the manufactured housing industry
- **Appropriately balance the need for affordability and energy conservation** by ensuring new standards account for the impact cost-intensive energy efficient construction standards have on the ability of many homebuyers to purchase a manufactured home (the median income of a family living in manufactured housing was \$28,343; and the average price of a new manufactured home is nearly \$65,000)
- **Build on the manufactured housing industry's existing successful track record of building cost competitive energy efficient homes;** the Environmental Protection Agency's (EPA) Energy Star program has been adopted by over 90 percent of manufactured homebuilders
- **Ensure that standards established by the DOE are consistent with existing performance based construction standards for manufactured homes** (as codified in the Manufactured Housing Improvement Act of 2000; P.L. 106-569) to

protect the quality, safety, and affordability of manufactured homes; to facilitate the availability of affordable manufactured homes; and, to increase homeownership for all Americans

- **Preserve the goals of the Manufactured Housing Act of 2000 that voiced the need for a single agency (HUD) to have jurisdiction over the standards and compliance** over all facets of manufactured home construction; from fabrication through installation

Action Needed

MHI members are urged to contact their Senators and Representatives and urge them to sponsor/introduce legislation that moves enforcement of energy efficiency standards from DOE to HUD and requires DOE develop a standard that reflects the impact new standards have on housing affordability.

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