

APA Texas believes that increased housing diversity and affordability are vital goals for Texans and Texas communities. We also believe that it's important to protect character of neighborhoods and communities, and that local governments are in the best position to do this because they can address the specific characteristics of their communities in a way that one-size-fits-all state legislation cannot.

Our analysis finds that HB 2970 does little to achieve these goals while simultaneously creating other issues. These are the reasons we oppose the bill:

1. Much of the bill is based on the owner choosing to treat the modular housing as real property. This puts cities in the position of regulating a land use based on a taxing decision made by the owner – awkward and very difficult to enforce.
2. In addition, the actual value has to be calculated and compared to surrounding homes. This value can't be determined until after the home is built. How will enforcement work after the fact? The administrative burden and enforcement over time would be complicated.
3. This value calculation in practice will limit the placement of these to lower-income areas only, which is an equity concern. With the "value" as the criteria, this is an elitist bill. It is saying that this housing can only go in disadvantaged neighborhoods. Wealthy neighborhoods won't have to deal with it. This is not equitable.
4. The bill requires design / architectural "compatibility" with surrounding homes. First this is vague – what does compatible mean? Second, the State has removed cities' ability to regulate architectural materials on buildings, so how can we do it here? Does this conflict with the recent building materials legislation?
5. This does not preempt deed restrictions, which means this will de facto allow these in older/lower-income neighborhoods and not newer/wealthier neighborhoods. This is an equity issue.
6. Cities now address these proposals through a SPU/CUP process that accomplishes these objectives, with the ability to enforce them. This bill does not have the tools for enforcement.
7. This is another example of carving special rules for specific land uses which erodes the overall concept of zoning and limits the ability of local communities to establish and implement their own land use policies. While

allowing more modular homes may be desirable in some places, a state-wide dictation is problematic.

8. This legislation is specific to HUD-code manufactured homes, which would not include other types of modular housing.
9. We have a specific drafting concern with Section (h)(3), which ends in “or”. As written, this seems to mean that all the preceding criteria about value, compatibility, and so forth does not apply so long as the unit is placed on a permanent foundation.
10. Zoning enablement law grants municipalities the right to zone in a locally relevant manner – what’s appropriate in one part of a big, diverse state like Texas is not appropriate in other places. This bill is another erosion of local control over land use and zoning.

It’s difficult to propose alternative language for this bill because the core concept is flawed. There may be better ways to broaden the acceptance of alternative construction techniques, but it would need to be a completely different bill.