



**GROUND  
ED  
SOLUTIONS  
NETWORK**

strong communities  
from the ground up



## Promoting Infrastructure Maintenance in Manufactured Housing Communities

*Wendy Sullivan, Karen Bauer, Beth Sorce*

*October, 2016*

In many jurisdictions, manufactured housing communities (also referred to as mobile home parks) are one of the only sources of affordable market-rate housing for lower-income households. As such, they play a critical role in preserving economic and racial diversity within a community and ensuring inclusivity. However, these communities are increasingly at risk of closure and redevelopment resulting almost always in resident displacement.

Many manufactured housing communities were developed in the 1950s and so aging infrastructure and deferred maintenance are key contributors to community closures. While in operation, aging infrastructure can lead to health and safety concerns like undrinkable water, poor or no electrical service and inadequate fire protection. At the point of sale, the cost of remedying deferred maintenance can prohibit preservation efforts.

Cities and counties across the country are developing policies and practices for preserving their manufactured housing communities and promoting sound infrastructure maintenance. As most communities are privately owned, these policies and practices must balance the interests of the private land owner, the park residents and the community's interest more broadly. From promoting transitions to resident or nonprofit ownership, to coordinating inspections across city departments to licensing parks, local decision makers are using a variety of strategies—both sticks and carrots—to address infrastructure needs.

This national scan, the first of its kind, is intended to help local decision makers identify strategies for improving infrastructure in private, investor-owned manufactured housing communities in order to preserve and enhance these critical community assets.



## ABOUT GROUNDED SOLUTIONS NETWORK

Grounded Solutions Network supports strong communities from the ground up. We connect national and local expertise; bringing together the networks, knowledge and support needed to build inclusive communities. We promote housing solutions that will stay affordable for generations so communities can stabilize and strengthen their foundation, for good. Backed by our members and significant support from the Ford Foundation, Grounded Solutions Network champions evidence-based policies and strategies that work. We help our members, partners and elected officials use them to establish inclusive communities that have diverse housing options for a variety of incomes, offering choice and opportunity for all residents – both today and for future generations.

### ABOUT THE AUTHORS

**Wendy Sullivan**, principal of WSW Consulting, is a housing planner and attorney specializing in affordable housing market research and strategy. For over 15 years, she has been providing communities with the data and information they need to inform, support and maintain successful housing programs over time through affordable housing and workforce housing needs assessments, market studies, impact assessments and policy development.

**Karen Bauer** is a planning consultant with particular expertise in resort communities in the western US. She has helped communities to find solutions to the affordable/ workforce housing and health issues that they face through conducting housing needs assessments, community surveys and health impact assessments.

**Beth Sorce** is the Director of Capacity Building at Grounded Solutions Network. She has more than 10 years of experience developing and administering affordable housing and shared-equity homeownership strategies. She has researched and published on topics related to manufactured housing, community land trusts and the low-income housing tax-credit program.

### ABOUT THE REPORT

This report was made possible through the generous financial support of the Catholic Campaign for Human Development. It is based upon a study conducted by Grounded Solutions Network for the City of Boulder in 2016.



## ABOUT GROUNDED SOLUTIONS NETWORK

<b>INTRODUCTION.....</b>	<b>3</b>
PURPOSE .....	3
REPORT ORGANIZATION.....	4
METHODOLOGY AND GEOGRAPHY .....	4
<b>FINDINGS AND OBSERVATIONS .....</b>	<b>7</b>
SUMMARY OF PROGRAMS .....	7
DEVISING LOCAL PROGRAMS .....	10
<b>ADDRESSING INFRASTRUCTURE IN MANUFACTURED HOUSING .....</b>	<b>14</b>
PROMOTE RESIDENT OWNERSHIP .....	15
<i>Subdivision .....</i>	<i>15</i>
<i>Cooperative Housing Ownership (Co-op) .....</i>	<i>16</i>
<i>Addressing Infrastructure .....</i>	<i>17</i>
<i>Challenges with Resident Ownership .....</i>	<i>18</i>
NONPROFIT PARK OWNERSHIP .....	20
PARK PERMIT/LICENSING/REGISTRATION AND INSPECTION PROGRAMS.....	22
<i>Addressing Infrastructure .....</i>	<i>22</i>
<i>Detecting Violations - Inspections .....</i>	<i>23</i>
<i>Challenges with Licensing and Inspection Programs.....</i>	<i>24</i>
FINANCING AND OTHER SUPPORT.....	26
<i>Financial Assistance .....</i>	<i>26</i>
<i>Flexibility in Codes to Facilitate Upkeep .....</i>	<i>28</i>
RESIDENT/TENANT SUPPORT AND EMPOWERMENT .....	30
<i>Right of First Refusal.....</i>	<i>30</i>
<i>Tenant Retaliation Protection and Relocation Assistance.....</i>	<i>30</i>
<i>Capacity Building .....</i>	<i>31</i>
<b>APPENDIX – REFERENCE TABLE OF JURISDICTIONS BY PROGRAM.....</b>	<b>A-32</b>





## INTRODUCTION

An estimated 18 million people in the United States live in manufactured housing (also referred to as mobile homes).<sup>1</sup> In many jurisdictions, manufactured housing communities (also referred to as mobile home parks) provide one of the only sources of relatively affordable market-rate housing for lower income residents. Some jurisdictions in the United States have recognized the unique contribution of manufactured housing communities to housing options for residents and have implemented policies to preserve them.

Unfortunately, preservation policies do not ensure decent, safe and sanitary conditions in manufactured housing communities. Many jurisdictions struggle to address problems with poor infrastructure conditions and maintenance, particularly in their older parks. Problems may include water leaks and sewer backups, as well as health and safety concerns through undrinkable water, poor or no electrical service and inadequate fire protection. While many for-profit owners of manufactured home communities maintain and upgrade park infrastructure, for a variety of reasons, some owners do not. Substandard and deteriorating infrastructure can lead to unsafe and unsanitary conditions as well as health violations and the possible shutdown or removal of a park, placing residents in an uncertain situation and potentially leaving some homeless.

## PURPOSE

The purpose of this study is to identify some of the approaches taken by state or local jurisdictions or organizations throughout the nation to address infrastructure problems in manufactured housing communities and ensure the basic health and safety of residents and the longevity of the parks. Based on the experience of several jurisdictions and organizations working to address this issue, this study:

- Identifies various approaches taken to address infrastructure problems in manufactured housing communities, their perceived benefits and lessons learned along the way; and
- Identifies opportunities that jurisdictions could explore to regulate, incentivize or otherwise enhance infrastructure conditions.

This study is not intended to be a how-to document, but rather presents a general overview of how some local and state jurisdictions and organizations have worked to address the problem. More research will be needed to understand how to implement any particular approach or strategy in a given jurisdiction based on several factors, including:

---

<sup>1</sup> ACS 2010-2014 5-year estimates. Manufactured homes are differentiated from modular homes in that they are defined as movable dwellings without need of a permanent foundation. Structures identified in the Census as mobile homes in the Census are “mobile homes to which no permanent rooms have been added.” See <https://www.census.gov/programs-surveys/mhs/about/faq.html>; <https://www.socialexplorer.com/data/ACS2010/metadata/?ds=ACS10&var=B25024010>.



- State and local laws, including mandates, permissions and prohibitions;
- Local and state policy priorities regarding manufactured housing communities, preservation and maintenance; and
- Available state and local resources, including support organizations, funding opportunities and staffing at all levels to support program goals.

The experience of others in addressing infrastructure problems will, however, help jurisdictions frame the issues, understand various approaches and identify key considerations for devising effective programs in their region and neighborhoods.

## REPORT ORGANIZATION

This report is organized into several sections, including:

- Introduction – presents the purpose of this study, the research methodology and geographic area covered;
- Findings and Observations – provides key observations on how jurisdictions have effected infrastructure upgrades and maintenance in manufactured housing communities based on this research. It includes a summary of the primary lessons learned and considerations for jurisdictions working to devise or revise local programs;
- Addressing Infrastructure in Manufactured Housing – presents the main body of research organized into five primary categories of approaches used by jurisdictions and organizations to address infrastructure problems. This section can be referenced for more detail and examples of approaches summarized in the Findings and Observations; and
- Appendix – presents a reference table summarizing approaches and identifying which jurisdictions and organizations interviewed undertook each approach.

## METHODOLOGY AND GEOGRAPHY

The information for this study was collected through a combination of primary and secondary research and focused on interviews with organizations and jurisdictions with experience addressing manufactured housing community infrastructure problems. Research for this study occurred over a two-month period, beginning in May 2016, and included:

- Review of existing studies, articles and online research regarding manufactured housing infrastructure and preservation policies and concerns to help target the primary issues; understand active state and local jurisdictions and organizations; and help identify interviewees and frame interview questions.



- Interviews with over 20 persons from jurisdictions or organizations within nine (9) different states with experience addressing manufactured home issues at federal, state and local levels. Many persons interviewed provided us with helpful referrals, expanding our interview list and the range of experiences represented.

Interviews were used to understand particular experiences of jurisdictions or organizations in implementing manufactured housing infrastructure programs. The goal was to understand various approaches and lessons learned through the process. Questions varied depending upon the organization or jurisdiction, but generally included topics such as financing, park ownership structures, infrastructure assistance/community support, detecting and inspecting infrastructure problems, and enforcement.

### Locations of Organizations and Jurisdictions Interviewed

<b>California</b>	City of San Jose
<b>Colorado</b>	APCHA Aspen/Pitkin County Housing Authority (APCHA) Pitkin County Environmental Health Department Yampa Valley Housing Authority, Steamboat Springs, CO City of Fort Collins; Fort Collins Housing Authority Colorado Water Resources and Power Development Authority
<b>Minnesota</b>	Northcountry Cooperative Foundation (Certified Technical Assistance provider for ROC), Minneapolis, MN Metropolitan Council (Utility/Mobile Home Park Equity Pilot program), St. Paul, MN
<b>Montana</b>	NeighborWorks Montana
<b>Oregon</b>	City of Bend
<b>Arizona</b>	City of Tucson
<b>Vermont</b>	Vermont Department of Housing & Community Development
<b>Washington</b>	National Manufactured Home Owners Association (NMHOA) Washington State Housing and Finance Commission King County Housing Authority Northwest Communities Development Corporation Washington ROC
<b>Washington, DC</b>	Corporation for Enterprise Development (CFED)



This methodology and the relatively short timeframe in which the study was conducted does not cover every manufactured housing infrastructure program that has been implemented. Promising in our research, however, is that many of our later interviews presented methodologies and approaches that were duplicative in nature and concept to earlier interviews. While there will always be local nuances that produce unique solutions, jurisdictions and organizations have largely framed their programs around the five primary themes presented later in this report.







## FINDINGS AND OBSERVATIONS

Addressing infrastructure problems in manufactured housing communities is evolving. Everyone interviewed is struggling with the issue and continuing to search for alternatives and solutions. As with many complicated housing problems, there is no silver bullet or tried and true approach that will work for everyone.

### SUMMARY OF PROGRAMS

This report has identified several opportunities that jurisdictions could explore to regulate, incentivize or otherwise enhance manufactured housing park infrastructure conditions. Existing programs have largely focused within five primary categories, including:

- Promoting resident ownership,
- Supporting nonprofit ownership,
- Implementing park licensing/registration and inspection programs,
- Helping park owners procure financing or more easily undertake repairs, and
- Providing more support to tenants to either help them purchase parks or hold park owners responsible for park condition.

Based on observations of the programs implemented and recommendations made by entities involved in the process, the most effective infrastructure programs should generally:

- Include a combination of mandates, incentives, monitoring and enforcement provisions. As with most housing programs, one tool or option can rarely address the complexities of the program.
- Coordinate manufactured housing policy goals among all entities and departments involved in implementing and enforcing the program. This avoids, for example, code enforcement shutting down parks and evicting tenants when the goal of the program is to ensure residents continue to be housed because they lack other housing options.
- Work with manufactured housing community owners to remedy needed repairs, rather than enforcing firm mandates or timeframes for completion. Coordinating with owners to complete repairs can avoid having the park shut down and tenants evicted.
- Assist park residents by helping them purchase their parks (if desired), report problems without fear of retaliation from the park owner, or locate and afford alternative housing if relocation is the only option.





The following reference tables summarize the primary purpose or use of each of program option, key considerations for their success and some challenges noted by jurisdictions with the programs in place. The main body of the report can be referenced for more detail on each program.

**Resident or Nonprofit Ownership.** Preserves manufactured housing communities over the long term and places them in the hands of resident-owners or nonprofits that invest monies into the park maintenance and infrastructure.

#### **Considerations for Success**

- Provide tenant assistance for every step, including notice of sale, due diligence, financing, park purchase, long-term maintenance and governance—especially if the park is not subdivided.
- Incentivize owners to sell to residents or nonprofits through tax breaks or by using local codes as leverage.
- Ensure property appraisal research includes the backlog of infrastructure repairs needed so that it reflects the cost of the park plus upgrades.
- For improving/ maintaining infrastructure, explore annexation, sewer or Metropolitan District as permitted, or capital improvement plans.
- Help residents navigate the subdivision process if necessary.
- If public funds are used, implement deed restrictions or long-term ground leases to ensure a continued source of affordable ownership and rental housing.

#### **Challenges**

- Not suitable or possible for every park.
- Procuring initial financing can be challenging and time consuming.
- Continued financial support (grants or loans) often needed for costly repairs.
- Subdivision may be prohibited in zoning laws.



**Park Licensing/ Registration and Inspection.** Allows park entry and enforcement of park health and safety laws. Typically mandate as opposed to incentivize improvements.

#### **Considerations for Success**

- Yearly licensing fees and inspection fees fund the program.
- Coordinate enforcement with housing policy to ensure desired outcomes are achieved.
- Assign one inspector to communicate with the owner to increase efficiency and decrease confusion.
- Have sufficient staff to field complaints and enforce compliance.
- Employ enforcement mechanisms other than just eviction such as license revocation and fees.
- Coordinate among departments and with the owner in order to help remedy repairs and preempt eviction.
- If eviction occurs, impose relocation fees or requirements on owners and assist residents with finding other housing.

#### **Challenges**

- Adequate staffing to field complaints.
- Enforcement and housing policy may operate at cross purposes.
- Eviction is not a desired outcome from enforcement if replacement housing is not available.

**Park Owner Financing and Other Support.** Assist park owners with securing financing or undertaking improvements. Typically incentivize, as opposed to mandate, improvements.

#### **Considerations for Success**

- Work with the owner when problems are found through flexibility in enforcement, codes and process.
- Help the owner procure financing, particularly from sources not otherwise available to private/for-profit owners.
- Help the owner devise a plan for improvements and continued maintenance.
- Engage multiple entities knowledgeable of federal, state and local financing programs when evaluating funding options to devise the most beneficial financing package for the situation.
- If public funds or assistance is used, ensure continued affordability through deed restrictions or a specified term of operation to retain the value of the public's investment.

#### **Challenges**

- Staffing and resources to provide assistance.
- Public financing restrictions may limit the usefulness of funds to particular projects or communities.
- Procuring funding can take a long time (e.g. a year or more).
- Building inspectors, park enforcement, planners, other departments may operate at cross-purposes with the established manufactured housing policy.



**Resident/ Tenant Support and Empowerment.** Effective for both monitoring the health of manufactured housing communities and incentivizing owners to undertake infrastructure investments.

#### **Considerations for Success**

- Assign organizations or staff to help disseminate information to park residents, inform tenants of their rights, engage community participation, help tenants to purchase parks or address problems if needed.
- Require owners to fund resident relocation if the park is sold or shut down.
- Provide retaliation protection to allow residents to report problems with reduced fear of eviction.
- Grant the right of first refusal to residents or nonprofits to purchase parks.
- Tie notice of sale requirements with loan programs or resident education of options.

#### **Challenges**

- State laws, prohibitions may limit options/ effectiveness.
- Staffing/ organizations for resident capacity building support.
- Notice of sale requirements may not allow enough time for residents to mobilize to purchase parks.

## **Devising Local Programs**

While common themes and lessons learned were apparent in the multiple programs implemented by various jurisdictions and organizations, the specifics of each program vary significantly between jurisdictions. This is largely due to several core factors, including:

- Manufactured housing policies and goals;
- State and local laws, prohibitions, mandates and permissions;
- Available local, regional and state resources; and
- The ability to coordinate programs between jurisdictions, organizations and park residents and owners.

When evaluating any program for use in a particular jurisdiction, it is recommended that each of these steps be followed:

#### **Establish clear policies and goals**

Jurisdictions that clearly define their goals and objectives around manufactured housing are more effective in devising solutions. Clear goals and objectives frame the issues that need to be addressed and the outcomes to be achieved. This can help target what is needed to effect change and which programs will be most helpful.



- The City of San Jose recently restated their goal to preserve manufactured housing communities. The city already has a preservation ordinance in place that limits the ability to convert parks into other uses, but this has not been enough in light of increased redevelopment pressure that threatens to replace their parks with other uses. The city is now researching changes to their codes that can help park owners stay in business and undertake needed infrastructure maintenance.

Clear policies can also help jurisdictions prioritize limited funding and staffing resources to ensure that programs receive the support they need to be successful.

### Understand state and local laws and regulations

Jurisdictions must understand state law mandates, permissions and prohibitions when devising their local manufactured housing community infrastructure program.<sup>2</sup>

- Some states, such as California and Vermont, provide strong guidance or regulations regarding manufactured housing community licensing and registration, inspections, resident eviction, notice, relocation and retaliation protections, which help support local programs, but may also reduce local flexibility in meeting program goals.
- Other states, such as Colorado, place more control at the local level, generally allowing jurisdictions to devise programs based on their own manufactured housing policies and goals, but also offer less state-level support and may prohibit some options (e.g., rent control prohibitions on private, for-profit parks<sup>3</sup>).

Local laws may also limit options. For example:

- Jurisdictions may not have manufactured housing zoning or zoning may limit lot sizes in such a way as to prohibit park subdivision and the ability for residents to own their lots.
- Regulations may be in place which increase the cost and complexity for owners to repair infrastructure, such as requiring multiple inspections from various uncoordinated departments that can confuse and delay the process.

Understanding where state and local laws impose barriers, provide support, or impart flexibility is essential to devise workable solutions. What may seem impossible in a given jurisdiction at first glance may actually be possible by altering the approach to work within state and local legal exceptions and permissions.

---

<sup>2</sup> See, e.g., National Consumer Law Center and CFED, “Manufactured Housing Profile: Policy Snapshot. Manufactured Home Communities in Colorado,” September 2015, available at: [http://cfed.org/programs/manufactured\\_housing\\_initiative/manufactured\\_housing\\_advocacy\\_center/manufactured\\_housing\\_toolkit/Colorado\\_Policy\\_Snapshot\\_2015.pdf](http://cfed.org/programs/manufactured_housing_initiative/manufactured_housing_advocacy_center/manufactured_housing_toolkit/Colorado_Policy_Snapshot_2015.pdf); National Consumer Law Center, “Protecting Fundamental Freedoms in Communities,” October 2010, available at: <http://cfed.org/assets/pdfs/groundwork.pdf>

<sup>3</sup> Colo. Rev. Stat. § 38-12-301 “...no county or municipality may enact any ordinance or resolution that would control rent on either private residential property or a private residential housing unit.” The statute has some exceptions for voluntary agreements and restrictions on title.



### Inventory local, regional and state resources

Available financing, organizational support and state and local staffing influence the type and breadth of infrastructure programs.

- ***Financing for manufactured housing community infrastructure projects.*** Although federal funds through programs such as CDBG, HOME and USDA/RD are available across all states, local and state resources are each unique and may better serve local needs by providing additional flexibility. Absent the ability to self-fund programs, as has been done in the City of Aspen and Pitkin County, Colorado, regional financing options, such as loans and grants available through the Colorado Water Resources and Power Development Authority and the Vermont Agency of Natural Resources, can provide additional opportunities to local jurisdictions to address community infrastructure problems.
- ***Local and regional organizations.*** Supporting or coordinating with available organizations can expand program effectiveness. For example, ROC USA® is active in fourteen states and looking to expand their resident capacity building and park ownership program. In Colorado, local housing authorities have been an important resource to facilitate needed improvements and resident park ownership.
- ***Staffing at the state and local levels to help implement programs.*** Pairing and supplementing local and state staffing resources can expand the reach of programs. For example, limited staffing at the state level for park inspection programs means that some jurisdictions, including Pitkin County, Colorado, have developed local capacity to undertake some of the state's role.

### Coordinate programs

The ability to coordinate programs between jurisdictions, organizations and park residents and owners can better facilitate repairs and help retain operational manufactured housing communities. Jurisdictions that have been able to coordinate their programs with other entities are able to develop more well-rounded and effective programs. For example:

- Health inspectors and code enforcers in Tucson, Arizona, and Pitkin County, Colorado, cooperate with owners when inspections uncover park infrastructure problems in need of attention. While closing the park and tenant eviction are options, these entities work with the owner to remedy the problem. This may include flexible time schedules for making repairs, relaxed building code standards to reduce costs, and pulling in other entities as needed to help explore funding or other options.
- The notice-of-sale statute in New Hampshire notifies both park residents and the New Hampshire Housing Finance Authority of a pending sale of a park, combining resident notice with a strong community loan program to help residents purchase their park.
- The City of Tucson has coordinated code enforcement with housing services when manufactured homes have been found unfit for habitation and replacement housing was needed. Absent alternatives, displaced residents can qualify to move to the top of the priority list for Section 8 vouchers as they come available.



- The Pitkin County Environmental Health Department’s policy coordinates with that of APCHA and the city in that it understands that manufactured housing provides needed and irreplaceable affordable housing options for workers and removal should be the last option.

By presenting the experience of others in addressing infrastructure problems, this report should help jurisdictions frame the issues, understand various approaches and identify key considerations when devising local programs. By taking the additional steps to establish program goals, understand local and state laws, inventory available local, regional and state resources, and establish coordination among organizations, jurisdictions and manufactured housing communities, the approaches identified herein can be tailored for particular jurisdictions and be used to develop effective programs for specific regions and neighborhoods.





## ADDRESSING INFRASTRUCTURE IN MANUFACTURED HOUSING

Several approaches to addressing manufactured housing community infrastructure problems have been implemented. Most jurisdictions have a variety of measures and tactics designed to work together to achieve desired manufactured housing goals in light of local and state laws, mandates and permissions; available resources; and the availability to develop and use partnerships and organizations to help leverage resources. This section presents various approaches implemented by the states, local jurisdictions and organizations that were interviewed as part of this study and discusses the benefits and challenges associated with each approach based on their experience.

Most approaches to address infrastructure problems identified through this research fell into five primary categories, including:

- **Promoting resident ownership.** This includes helping manufactured housing residents gain ownership of the park. Residents may own the park as subdivisions, condominiums or co-ops.
- **Nonprofit ownership.** This includes placing parks into nonprofit rather than private for-profit ownership to ensure continued affordability and proper maintenance of the park for residents.
- **Park permit/licensing/registration and inspection programs.** This includes programs requiring park owners to register the park and undergo periodic inspections for health and safety compliance.
- **Financing and other support.** This includes helping park owners (whether private, residents or nonprofit) locate and procure financing and undertake needed upgrades and maintenance.
- **Resident/tenant support and empowerment.** This includes providing additional support to tenants to help in all of the above processes, including purchasing parks, monitoring the health and safety of parks, and incentivizing park maintenance.





## Promote Resident Ownership

In addition to owning their home, park residents may also own their lot (through subdivision) or own and control the park land (through condominium or cooperative homeownership). Owning the land underneath the home places the responsibility of maintaining the park and its infrastructure in the hands of residents who own it. For multiple reasons, including being able to realize appreciation in home value and having a more permanent sense of community and stability compared to renting, owners desire to take care of their community.

Many organizations see resident ownership as the best way to ensure long-term management and maintenance of parks. It places the park in the hands of people who care about its condition and long term sustainability and removes the need to try to incentivize or force an unwilling owner to perform costly upgrades.

Resident-owned communities have several other advantages over investor-owned communities. For example, residents who own their park:

- Have control over their lot rents, park governance and capital improvement investment;
- Have more stability in their community and are at less risk of being displaced due to park closure, sale or redevelopment by a private owner;
- Can attract financial resources as a homeowner association or co-op that are otherwise unavailable to private investors; and
- Can build more equity and receive better loan terms than they can for manufactured homes on rented land.

### Subdivision

The manufactured housing community is subdivided into individual lots, which can then be purchased by its residents. With this arrangement, residents can then own both their home and the land under their home. Common areas and infrastructure are typically maintained by a resident homeowners association (HOA), which collects monthly fees from the owners to cover the costs of maintenance and repair. The maintenance of individual homes remains the responsibility of the homeowner. Residents who cannot or choose not to purchase their lots can continue to rent their lots from the HOA.

The Aspen/Pitkin County Housing Authority (APCHA) in Colorado has used this method to preserve five (5) manufactured housing communities, containing over 400 lots, as affordable housing for the workforce in the area. Through APCHA's subdivision model:

- Residents at risk of losing their park to sale by the owner or facing significant rent increases approached the City of Aspen, APCHA or Pitkin County seeking assistance.



- APCHA, the city and/or county purchased the park from the owner using local funds and donations.<sup>4</sup>
- APCHA worked with the city and county departments to subdivide the parks.
- Residents also received assistance to help form an HOA and procure financing to purchase the park.
- Upon completion of the subdivision, residents purchased their lots and common areas back from APCHA, allowing APCHA and the city and/or county to recoup funds spent to purchase the park.

In exchange for receiving assistance from APCHA, the City of Aspen and/or Pitkin County, park lots were deed restricted prior to sale back to the residents. Deed restrictions are managed by APCHA and ensure, at a minimum, future occupancy by current or retired employees from the Roaring Fork Valley (generally defined as the area from the City of Aspen to Glenwood Springs), with some also including income-qualification and sale price limitations upon resale or rent limits for rented lots.

### Cooperative Housing Ownership (Co-op)

In a co-op, residents form a corporate entity which owns the park, and each resident member retains a voting share in that entity. The co-op has a board of directors that governs the cooperative and they may hire an outside manager to oversee day to day operations. Major decisions, such as large capital expenditures, are typically subject to a member vote. The co-op requires that a majority of residents are members. Remaining residents that choose not to buy into the co-op can continue to rent a lot, sometimes at a higher monthly cost than co-op members. A couple of advantages to purchasing a manufactured housing community as a co-op over subdivision include:

- Co-ops can purchase the community without requiring each homeowner to either get a loan to buy their own lot; and
- Co-op purchases avoid a lengthy, potentially costly and sometimes prohibited subdivision process.

### Self-organization

Residents may organize themselves to form a co-op and purchase their park. Upon learning that their park was coming up for sale, residents of Hilltop Mobile Home Park in Steamboat Springs, Colorado, came together to purchase the park. The residents purchased all 17 lots of their park as a co-op, then later subdivided the park for individual lot ownership. The project came together with significant assistance from the community, including reduced legal fees, support from five area banks and a local nonprofit.<sup>5</sup>

---

<sup>4</sup> Affordable housing in the City of Aspen and Pitkin County is supported by funding from the city, county and APCHA. Revenues are raised from multiple sources, including a 1% real estate transfer tax on private sector real property sold within the City of Aspen; a portion of city sales tax; payment in-lieu, land in-lieu or impact fees on private sector development; and an affordable housing Credit Certificate Program. See Aspen/Pitkin County Employee Housing Guidelines, amended and approved October 2015, Part II, Section 4 for more detail (available at: <http://www.apcha.org/2015AdoptedGuidelines.pdf>).

<sup>5</sup> See Tom Ross, "Mobile Home Owners Buy Trailer Park," Steamboat Today, Sept. 28, 2000, available at: [http://www.steamboattoday.com/news/2000/sep/28/mobile\\_home\\_owners/](http://www.steamboattoday.com/news/2000/sep/28/mobile_home_owners/)



### Capacity building assistance

Several organizations also offer capacity building assistance to park residents to form a co-op and purchase their park. Resident Owned Communities (ROC USA<sup>®</sup>) is a nonprofit organization that has helped manufactured housing residents in over 14 states buy their parks as cooperative homeownership, including numerous parks in the interviewed states of Vermont, Montana and Washington.<sup>6</sup> Through this model:

- Parks available for purchase are located through notification by residents or searching the MLS or other for-sale sites;
- The economics of the community operation is assessed. This includes assessing the value of the park, cost of operations and cost of infrastructure or other repairs and upgrades that may be needed. *If repairs do not exceed 10% of the purchase price, then typically parks are candidates for purchase.*
- The nonprofit brings homeowners together to see if they want to purchase as a group; at least a majority of owners need to buy into the co-op to make it successful.
- The organization also helps homeowners build a not-for-profit organization to make decisions, assess whether to purchase, decide how to purchase the community, procure financing, and organize the real estate transfer.
- Residents are also given technical support and training for start-up of the co-op.
- Support continues after purchase to provide the community with the tools it needs to succeed, including on-going management and leadership support, peer networking opportunities and technical assistance for infrastructure projects.

### Addressing Infrastructure

Although residents that own their park are highly invested in infrastructure upgrades and maintenance, financing and completing the work can still be a challenge. Manufactured housing communities are often primarily occupied by persons of limited income. This means that HOA dues and co-op fees must stay modest to remain affordable for residents, making it difficult, if not impossible, to fund expensive infrastructure projects without assistance.

Aside from seeking loans or grant funding from federal, state or local sources,<sup>7</sup> several approaches may be considered, including:

- **Annexation.** Getting parks on wells and septic hooked into city water and sewer systems helps retain proper operation of this portion of their infrastructure. To do so, state and local jurisdictional annexation requirements must be met, excluding some parks from this alternative. Two of APCHA's five parks are annexed into the city.

---

<sup>6</sup> ROC USA<sup>®</sup> was formed by several leading nonprofit organizations to make resident ownership of mobile home parks possible and expand a very successful program in New Hampshire to other states. In 2008, three national nonprofits, the Corporation for Enterprise Development (CFED), NCB Capital Impact, and NeighborWorks<sup>®</sup> America, joined with the Community Loan Fund to create ROC USA. While not currently active in Colorado, the organization has plans to expand to the state this year. See <http://www.rocusa.org/about-us/default.aspx> for more information.

<sup>7</sup> The use of and opportunity for federal, state and local funding assistance is discussed below in this report in the "Financing and Other Support" section.



- **Metropolitan District (or Water/Sewer District).** Colorado allows formation of a Metro District, which must pass by majority vote of the park owners.<sup>8</sup> Other states, such as Montana, may allow water/sewer districts to be formed offering similar advantages. Metro Districts can be formed to maintain more than water and sewer services, such as fire protection, street improvement, recreation services and solid waste collection. Districts are created to provide services residents may desire as a result of not residing within a municipality or within a municipality which either does not provide a desired service or does not provide service at the level desired. Formation of a Metro District can provide some advantages to resident owners of parks, such as:
  - Costs to maintain the Metro District are collected through owners' property tax bills, making the costs eligible as an income tax deduction, thereby reducing the cost of infrastructure maintenance.
  - Because fees are collected through property tax bills, this reduces the uncertainty of collecting funds through HOA dues.

Setting up a Metro District can be costly, however, and the long term financial benefits must be weighed in light of near term expenses.<sup>9</sup>

- **Capital Improvement Plan.** The ROC USA® model of co-op ownership requires formation of a 10-year capital improvement plan upon purchase, the costs of which are rolled into residents' financing upon purchase. Funds can be used to cover the costs of immediate or extended upgrades, then paid off over the term of a 10-year loan by the co-op. If repairs extend beyond 10-years or more, loans can be refinanced to reduce monthly payments or add additional funding if needed. This not only ensures owners understand and plan for infrastructure maintenance and upgrades, but also helps them afford to make costly repairs.

### Challenges with Resident Ownership

Essential ingredients for residents to purchase their communities include:

1. A park owner willing to sell;
2. Residents wanting to purchase their lots and form an HOA or co-op; and
3. The ability to afford financing and conduct necessary repairs.

---

<sup>8</sup> In Colorado, Special Districts may be formed, including a Metropolitan District. Special districts are local governments that provide services or infrastructure to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the district. The Special District Act, in Title 32, C.R.S., comprises the legal framework for many different types of special districts and specifies the services that may be provided. Only a short introduction is provided in this report. For more information, see, e.g., Colorado Legislative Council, "2013 Colorado Local Government Handbook," January 2013, available at: <https://www.colorado.gov/pacific/sites/default/files/13%20Local%20Gov%20Handbook%20for%20posting.pdf>

<sup>9</sup> See, e.g., Janet Urquhart, "County allocates \$100,000 for Woody Creek homeowners," Aspen Times, Feb. 23, 2011, available at: <http://www.aspentimes.com/article/20110223/NEWS/110229950> ; Andre Salvail, "Woody Creek trailer park residents seek special taxing district," Aspen Times, Jan. 1, 2015, available at: <http://www.aspentimes.com/news/14450604-113/district-special-filiss-residents> (last visited June 28, 2016).



### **Willing Seller**

Not all park owners are interested in selling and, if so, may not want to sell to residents or a nonprofit or may desire an unrealistically high price for the park. To facilitate sales, several tactics can be used:

- ROC USA® recommends using local codes as much as possible to help facilitate sales. If current parks are in violation of any existing regulations, this can provide leverage to negotiate sales.
- Some state or local statutes may provide leverage by which park sellers must notify residents, negotiate in good faith and/or sell to residents or a nonprofit if they match a competing bid. Also helpful are capital gains tax reductions or exemptions that incentivize the owner to sell the park to its residents or nonprofits.<sup>10</sup>
- Pre-purchase appraisals should consider not only the land value and park returns, but also any neglect of infrastructure repairs or upgrades. Engineering reports can identify these issues and costs to address. Often owners who have not invested sufficiently in maintaining their park have unrealistic expectations of its value upon sale. Appraisers may not include deferred maintenance in their assessment. An accurate appraisal and engineering report are needed to support negotiations.

### **Committed Residents**

Park ownership requires a committed and capable group of resident leaders and willingness to take on substantial responsibilities. Some residents will not want to purchase lots or be a member of a co-op. Some communities may not have the ability to mobilize for ownership, even with technical support and assistance.

### **Affording Financing**

Resident ownership is not an option for everyone. For manufactured housing communities with predominantly lower income residents, purchasing a lot or paying into a co-op, plus covering needed repairs, payments and rents can quickly get out of reach.

- In the City of San Jose, none of the manufactured housing communities are resident-owned. Extremely high land prices are the primary driver preventing residents, even with nonprofit assistance or help with state funding,<sup>11</sup> from being able to afford to purchase the parks.
- Subdivision requirements may require infrastructure upgrades prior to approval; some lenders may require upgrades before finalizing a purchase loan for residents or a co-op. The financing needed to purchase the park combined with the cost of required infrastructure upgrades may raise rents such that they are unaffordable for the residents.

---

<sup>10</sup> See Resident/Tenant Support and Empowerment Section of this report, below.

<sup>11</sup> The California Department of Housing and Community Development has \$15 million available in 2016 through its Mobile Home Park Rehabilitation and Resident Ownership Program to finance park conversion to resident ownership, nonprofit housing sponsors, or local public agencies, awarding up to \$3.5 million per eligible project. See Financing and Other Support section of this report for more information.



Subdividing parks may come with additional challenges:

- Subdivision may not be permitted by zoning codes. In APCHA's case, most parks that were purchased were non-conforming uses under the city and county zoning codes. Park lots may be too small to meet required minimum lot sizes and development setbacks in local zoning codes.
- Subdivision may require infrastructure or other upgrades prior to approval, requiring costly upfront expenditures and delays in the process. APCHA was required to complete upgrades on some parks, the cost of which was then repaid by the residents over time through loans acquired when they repurchased the park.
- Subdivision can be a long process. Subdivision of the Woody Creek Mobile Home Park in Pitkin County took seven (7) years to complete. Residents and assisting agencies must be prepared and willing to dedicate sufficient time and resources (staffing and funding) to make it happen.

## Nonprofit Park Ownership

A nonprofit housing organization, such as a housing authority or community land trust, may purchase manufactured home park and then either rent or sell the lots to residents. These entities often get involved when a park is up for redevelopment and an area is in danger of losing this affordable housing stock. Some advantages to this type of ownership include:

- The park will be managed as affordable housing, keeping rents or purchase prices at lower rates than private owners, maintaining more stable rents over time and decreasing risk of park closure, sale or redevelopment;
- The nonprofit will take care of the organization and steps needed to purchase, repair and maintain parks for resident occupancy;
- Increased involvement of residents in their housing and community; and
- Access to federal, state and local funding sources unavailable to private residents or corporations. A housing authority as a governmental entity may also issue bonds.

Nonprofit and for-profit parks have similar issues in regards to the expenses of park upkeep, but nonprofits have some advantages in terms of financing since they can access low interest loans and grants from federal, state and local sources not available to the private sector. For example:

- The Yampa Valley Housing Authority in Steamboat Springs, Colorado, purchased Fish Creek Falls Mobile Home Park in 2007, saving the 68-lot park from being sold and potentially redeveloped (see the box below for more information). After purchase, it was discovered that about \$1.3 million in water and sewer upgrades were needed. YVHA considered funding through the federal USDA program, but given its restrictions, found the \$1.3 million acquired in loans and grants through the Colorado Water Resources and Power



Development Authority (CWRPDA) to be of better assistance.<sup>12</sup> Rents did not have to be increased as a result of the low cost financing package.

- King County Housing Authority (KCHA) in the state of Washington owns four manufactured housing communities which were slated for redevelopment. By purchasing the parks, the homes are now preserved as affordable housing. KCHA included the cost of infrastructure upgrades in their financing upon purchase. The maintenance and upgrade work KCHA has undertaken has been largely self-financed with some help from New Market Tax Credits (NMTC). Most upgrades have taken about a year to complete.

### Yampa Valley Housing Authority, Steamboat Springs, Colorado

High land values, lack of available land, and redevelopment are forcing manufactured homes out of Steamboat. Two communities, Westland and Trailer Haven, closed in recent years in favor of redevelopment and reduced the amount of housing affordable for the workforce. Current zoning does not support the creation of new parks, a proposed park was turned down for approval in 2013 and current land values may not support the development of new parks.

Concerned over the potential loss of Fish Creek Mobile Home Park, the Yampa Valley Housing Authority (YVHA) purchased the park in 2007 for \$3.2 million. The financing came from the Steamboat Springs City Council, which loaned the Housing Authority \$954,000 at zero-percent interest for the first five years, and a bank loan of \$2.58 million. That debt has since been refinanced, allowing the YVHA to leverage a loan through the Colorado Water Resources and Power Development Authority to fund needed water and sewer upgrades.

By purchasing Fish Creek Mobile Home Park, YVHA has ensured the park won't be sold to a developer who could evict the trailer owners in favor of building luxury housing. It has given longtime residents the security needed both to purchase their homes and to invest in upgrades and improvements. Lot rents also average between \$150 to \$200 less per month than market rents at other parks in the area.<sup>13</sup>

<sup>12</sup> More information on this program is in the "Financing and Other Support" section of this report, below.

<sup>13</sup> YVHA interview; Brandon Gee, "YVHA closes on Fish Creek Mobile Home Park," Steamboat Today, Aug. 28, 2007, available at: [http://www.steamboattoday.com/news/2007/aug/28/yvha\\_closes\\_fish\\_creek\\_mobile\\_home\\_park/](http://www.steamboattoday.com/news/2007/aug/28/yvha_closes_fish_creek_mobile_home_park/); Tom Ross, "Mobile Homes Enjoy New Stature," Nov. 4, 2007, available at: [http://www.exploresteamboat.com/news/2007/nov/04/mobile\\_homes\\_enjoy\\_new\\_stature/](http://www.exploresteamboat.com/news/2007/nov/04/mobile_homes_enjoy_new_stature/)





## Park Permit/ Licensing/ Registration and Inspection Programs

Permit, licensing or registration requirements for manufactured housing communities have been established by many states or local jurisdictions to help insure safe facilities, proper water supply and proper sewage disposal in manufactured housing communities.<sup>14</sup> Other states or local jurisdictions (e.g., Tucson, Arizona) may instead establish inspection programs for the same purpose. Some areas, such as the state of California, have implemented both.

Permit and licensing programs typically require the park owner to pay a licensing fee and/or a per lot fee to pay for administration of the program.<sup>15</sup> Additional lots fees may be charged in conjunction with inspection programs.<sup>16</sup> Permits or licenses are typically subject to periodic renewal and repayment of the licensing fee. The state of Vermont, which requires parks to register and pay a fee each year, also collects information about the parks, including whether the park is served by municipal water and sewer and which services are included in the lot rent.

Some programs may be operated and managed by the state, while others may be maintained by local jurisdictions. California permits local jurisdictions to take over the state licensing and inspection program upon application to the state. Arizona does not have a licensing requirement, but some jurisdictions (e.g., Phoenix, Scottsdale) require licensing of residential rental properties, which include manufactured housing communities.

### Addressing Infrastructure

If health and safety standards are violated:

- Typically letters of violation are first issued, identifying the problem and statute violation and providing a timeline and instructions to remedy the problem.
- If the problem affects only the home unit, the owner of the unit is the responsible party. Infrastructure problems that affect the health and safety of the park overall are typically the park owner's responsibility.
- If park owners do not make needed repairs, fines may be imposed and licenses, if required, can fail to be renewed or be suspended or revoked, providing leverage against park owners to maintain the parks.<sup>17</sup>

Penalties for operating without a license can be high and some states can close down parks if problems persist.<sup>18</sup>

---

<sup>14</sup> For example, see California (<http://www.hcd.ca.gov/codes/mobilehome-special-occupancy-parks/authority.html>), Vermont (<http://legislature.vermont.gov/statutes/chapter/10/153>), Indiana (see <http://www.in.gov/isdh/23280.htm>).

<sup>15</sup> The state of California charges a \$140 annual operating permit fee plus \$7 per lot. See California Health and Safety Code § 18502 (Div. 13, Part 2.1, Chap. 4). The state of Vermont has an annual registration fee of \$12 per lot. Vt. Stat. Ann § 6254.

<sup>16</sup> The state of California charges an additional \$4 per lot fee to pay for park inspections, one-half of which can be charged through rent to the tenant. . See California Health and Safety Code § 18502 (Div. 13, Part 2.1, Chap. 4).

<sup>17</sup> See, e.g., Division 13, Part 2.1 of the California Health and Safety Code § 18506.

<sup>18</sup> Operating without a license violates Ohio Rev. Code § 4781.27 and may subject the owner to fines up to \$1,000 per day, other penalties or injunctions filed in the local court. Ohio Rev. Code § 4781.121.



## Detecting Violations - Inspections

Violations may be detected through either proactive park inspections or inspections in response to complaints. Areas undertaking proactive inspections of community infrastructure have met with mixed results. Most programs, even those established as proactive, are complaint based, with inspectors reacting to complaints received from residents of park or unit conditions. Some states may also require certificates or approval from the state water department or public health department upon permit renewal.

- The state of California under its Mobile Home Parks Act<sup>19</sup> requires the Department of Housing and Community Development or a city, county, or city and county that assumes responsibility for the enforcement of the act to enter and inspect manufactured housing parks with a goal of inspecting at least 5% of the parks each year to ensure enforcement of the act and implementing regulations.

While the act enables jurisdiction to enter parks for inspection, the availability of staff and resources means that inspections usually occur in reaction to complaints received. In San Jose, which has not applied to assume responsibility to enforce the act, complaints received locally must be sent to the state for inspection, which may be accompanied by delays. Ironically, the high cost of housing has made it difficult to retain a state inspector in the area. This position tends to see relatively high turnover, increasing the backlog of complaints to this office.

- The City of Tucson, Arizona, does not require permitting, but has an inspection program. The city's Code Enforcement division took a proactive approach several years ago to inspect their 430 manufactured housing communities. State jurisdictional permissions, however, do not permit the local office to enter parks without the park owner's permission or upon invite by an individual home owner, significantly limiting the effectiveness of this approach.

The division currently operates on a complaint basis. This allows them to enter the park to inspect a unit and address or cite larger park-wide issues if found. Even so, the number of complaints received is often overwhelming. Prioritizing complaints to inspect infrastructure issues associated with plumbing, gas, water and electrical before less critical complaints (e.g. graffiti, tree maintenance, etc.) is common.

- The state of Vermont requires public community water supplies to be inspected at least once every three (3) years and grants jurisdiction to inspect systems to state and municipal health officers (Vt. Stat. Ann. § 1671 et seq.). For septic systems, however, only the state Department of Environmental Conservation has jurisdiction. Proof of inspection may be required upon registration renewal.

---

<sup>19</sup> California's Mobile Home Parks Act may be found in Division 13, Part 2.1 of the California Health and Safety Code, commencing with Section 18200. See <http://www.hcd.ca.gov/codes/mobilehome-special-occupancy-parks/authority.html> for more information.



## Challenges with Licensing and Inspection Programs

Jurisdictions with licensing and inspection programs noted several challenges with inspection and enforcement programs, including:

- Complex jurisdictional permissions and requirements;
- Lack of coordination among entities involved in the inspection and repair process; and
- Lack of clear policy direction or competing policy goals with respect to manufactured homes and park upgrades.

### Defining and coordinating jurisdiction

Depending upon the problem, the jurisdiction of the code enforcement may fall on the state, county or city, causing confusion if the codes are not well understood. This may confuse park owners and present delays in inspecting and locating problems.

- The City of Tucson has helped streamline this process by having cross-trained inspectors, providing them with the authority to cover multiple issues, including fire safety, water, and sewage, avoiding delays that may occur if multiple inspectors need to be scheduled.
- Pitkin County, Colorado, is also contracted to field complaints that would otherwise need to be inspected by the state. This also simplifies the process for the unit or park owner in violation by dealing with one, rather than multiple, inspectors.
- The Vermont Department of Housing and Community Development (DHCD) is the State agency charged with administering the mobile home park statute.<sup>20</sup> In detecting and enforcing violations, however, at least five entities are responsible, depending upon the issue. This includes the DHCD; Vermont Agency of Natural Resources (ANR); Vermont Department of Public Safety, Fire Prevention District; Attorney General's office and the Vermont Department of Health. Towns may report violations to the appropriate state authority for enforcement or bring action to enforce their order in court upon violation of public health and safety laws. The state used to have an Interagency Mobile Home Park Compliance Group with members of all of these authorities so they could work more cohesively.

### Facilitating repairs

Infrastructure repairs and upgrades can be costly and cumbersome. Agency cooperation and financial assistance can facilitate repairs:

- Tucson, Arizona, and Pitkin County, Colorado, work with the owners as much as possible to help facilitate repairs. Both recommend providing owners with a flexible timeline to undertake repairs as opposed to a hard deadline. As long as owners are showing progress, the enforcement offices will continue to work with them. Tucson's Code Enforcement division has also coordinated with the building department, easing strict

---

<sup>20</sup> See [http://accd.vermont.gov/strong\\_communities/housing/mobile\\_home\\_parks](http://accd.vermont.gov/strong_communities/housing/mobile_home_parks) for more information.



engineering requirements, for example, to enable improvements and reduce the cost for owners to address problems.

- Because water and sewer maintenance and upkeep can be costly, the Vermont Agency of Natural Resources retains a revolving loan fund for repairs to privately-owned drinking water systems.<sup>21</sup>

### **Coordinated enforcement policies**

Finally, enforcement options may work at conflicting purposes with community housing needs and goals. Enforcement of safety standards may result in eviction of tenants or removal of manufactured homes, leaving many residents without alternative housing options.

Coordination among departments can help minimize displacement. Enforcement options other than eviction would assist many communities.

- When a home has been found unlivable by Tucson's Enforcement Office, the city has coordinated with housing services to help provide the owner with options if enforcement requires them to leave or remove their unit. The Office of Enforcement desires to shut down non-compliant units, whereas housing services understands that many residents have no other option in the city.

The city has been approved by HUD as part of their consolidated plan for CDBG funding to allow residents displaced by Code Enforcement to receive top priority for Section 8 vouchers. The city will cover the cost of removing the home as part of the program. While there is a waitlist for vouchers, several come available each year due to changing circumstances of voucher holders, providing opportunity for displaced residents. The program is relatively new and has yet to be used, however.

- The Pitkin County Environmental Health Department's policy is in line with APCHA and the city in that it understands that manufactured houses provide needed and irreplaceable affordable housing options for workers and removal should be the last option.

The Pitkin County Environmental Health Department inspects (upon sale of a property) septic systems. If a problem is found, the owner of a shared system is responsible for repairs. The County can get the Building Department involved and red tag the property, and eventually evict if not repaired. The County works with owners as much as they can, however, to get systems repaired and has not needed to resort to eviction.

A licensing program in Pitkin County, if established, could provide an additional enforcement mechanism to eviction. Also, because park residents in the County often earn more than permitted to receive federal funding assistance, state level grants or loans, similar to Vermont ANR's revolving loan fund (mentioned above), could provide alternatives.

---

<sup>21</sup> See <http://www.veda.org/financing-options/other-financing-option/drinking-water-revolving-loan-fund/> for more information.



## Financing and Other Support

Key for every approach to addressing infrastructure problems is access to adequate funding:

- Resident-owned parks and nonprofit organizations that own parks have access to funding sources not available to private for-profit owners. Jurisdictions, nonprofits and other governmental entities can help fund infrastructure improvements by working with the owner to help procure financing otherwise not available to private owners.
- Jurisdictions can help facilitate improvements by providing flexibility in codes to support infrastructure maintenance.

### Financial Assistance

A variety of financing options and programs are available. While Federal sources are primarily centered around Community Development Block Grant (CDBG), HOME Investment Partnerships Program and USDA/Rural Development (RD) funds for infrastructure improvements, which are typically very competitive and have requirements on their purpose and usage that may not work for many communities, states have been getting more creative and flexible with some of their financing options.<sup>22</sup> Most are unavailable to the private sector, however, and would require assistance through a nonprofit or governmental entity to make them available to help upgrade investor-owned parks.

### State level programs

Several state level programs that have been used or explored by jurisdictions and organizations interviewed as part of this study are listed in the summary table in the Appendix. A few of the programs are highlighted below.

- Yampa Valley Housing Authority (YVHA) in Colorado accessed monies from the state revolving fund through the Colorado Water Resources and Power Development Authority (CWRPDA) to fund \$1.3 million in water and sewer improvements needed at Fish Creek Mobile Home Park.<sup>23</sup> The funding package included \$500,000 in grants and the rest through a low-interest loan. The Colorado Department of Public Health, which has additional monies available,<sup>24</sup> and Colorado Department of Local Affairs are brought in early to the application process. The departments want needed

---

<sup>22</sup> For example, if CDBG funds are used, at least 70% of CDBG funds must be used for activities that benefit low- to moderate-income individuals, which may exclude some manufactured housing communities; HOME funds may only be used to assist families earning 80% or less of the area median income and the income guidelines are more restrictive regarding the use of funds for rental housing. See, e.g., National Consumer Law Center, “Accessing Public Resources for Homes and Communities,” September 2010, available at:

[https://www.nclc.org/images/pdf/manufactured\\_housing/accessing-public-resources.pdf](https://www.nclc.org/images/pdf/manufactured_housing/accessing-public-resources.pdf)

<sup>23</sup> See <http://www.cwrpda.com/index.php/programs/state-revolving-funds> for more information.

<sup>24</sup> See <https://www.colorado.gov/pacific/cdphe/wq-grants-and-loans> for more information.



infrastructure upgrades to get done and work with applicants to find the best solution for their project given the combination of programs available.

- The California Public Utility Commission instituted a pilot program, applications for which closed summer 2015, to replace aging, master-metered/sub-metered energy systems with a newer one that provides direct utility service at manufactured home parks. The goal of the program through 2017 is to upgrade 10% of California's 381,000 eligible park spaces to direct utility service. Upon upgrade, these systems will be maintained by the state, rather than the park owner, relieving owners from the responsibility and cost of maintaining an aging utility system.<sup>25</sup>
- The California Department of Housing and Community Development has \$15 million available in its Mobile Home Park Rehabilitation and Resident Ownership Program (MPRROP).<sup>26</sup> This program provides 3% financing to resident organizations, qualified nonprofit housing sponsors or local public entities that wish to purchase a park and preserve it as affordable housing. It was amended this year to also assist park residents with needed repairs or accessibility upgrades. Applicants may receive a maximum of \$3.5 million per application.
- The state of Montana has significant funding for infrastructure upgrades to manufactured housing communities through its Coal Severance Tax Trust Fund, but scarce availability of funds for home development.<sup>27</sup> Manufactured housing communities are also non-conforming uses in many jurisdictions, meaning that once these homes are lost, redevelopment of new affordable homes is difficult. It is better to save what they have and use available funding to do so.

Coal Severance Tax Trust Funds provide grants and loans for infrastructure upgrades, among other purposes. The funds are administered through three state departments, including the Department of Environmental Quality, the Department of Natural Resources and Conservation, and the Department of Commerce, along with state revolving funds and other sources. NeighborWorks Montana has applied for these funds from all three departments, the Montana Board of Housing, plus accessed CDBG for infrastructure improvements at the parks it has helped residents

---

<sup>25</sup> Information on the mobile home park utility upgrade pilot program is available at:

[http://www.pge.com/en/safety/mobilehomepark/index.page?WT.mc\\_id=Vanity\\_mhputilityupgrade](http://www.pge.com/en/safety/mobilehomepark/index.page?WT.mc_id=Vanity_mhputilityupgrade)

<sup>26</sup> See the MPRROP notice of funding availability for more information, available at: [http://www.hcd.ca.gov/financial-assistance/mobilehome-park-rehabilitation-resident-ownership-program/docs/jan\\_2016\\_mprrop\\_nofa.pdf](http://www.hcd.ca.gov/financial-assistance/mobilehome-park-rehabilitation-resident-ownership-program/docs/jan_2016_mprrop_nofa.pdf)

<sup>27</sup> Charles Johnson, "Bill would cap Montana's coal tax trust fund at \$1 billion," Missoulian, Feb. 18, 2015, available at: [http://missoulian.com/news/state-and-regional/bill-would-cap-montana-s-coal-tax-trust-fund-at/article\\_78c59189-036a-5475-8967-ace7aa20a68e.html](http://missoulian.com/news/state-and-regional/bill-would-cap-montana-s-coal-tax-trust-fund-at/article_78c59189-036a-5475-8967-ace7aa20a68e.html)



acquire. The majority of the seven (7) parks they have assisted have used at least one of these funding streams.

- The Metropolitan Council of Minnesota's Equity Initiative Grant allocated \$250,000 to explore investing in a Manufactured Home Park Infrastructure Fund. Research found that aging infrastructure threatened many manufactured housing communities. Based on these findings, a pilot program was initiated and one community has been connected to the public sewer system through a 50/50 matching grant program offering up to \$250,000.

### **Supporting Owner Access to Local and State Funds**

While most sources of local, state and federal funding are not available to for-profit owners, jurisdictions and nonprofit organizations can work with owners to access these funds for needed improvements. A few considerations include:

- The process can take a long time. It took YVHA about 18 months to pull together the financing package for its infrastructure upgrades at Fish Creek.
- In exchange for receiving public monies and assistance, most organizations and jurisdictions prefer to have assurance that the park owner will stay in business and continue to charge rents that are affordable for its residents.
  - APCHA has placed deed restrictions and rent limits on all manufactured housing parks it has assisted to ensure continued affordability.
  - Term of operation considerations, such as those being evaluated by the City of San Jose, California (discussed below), may also be appropriate if permitted by state statutes. By requiring fund recipients to commit to operating their park for a term of 10 years, for example, this can ensure park owners do not immediately sell the park for an alternative use.
  - Funds could also be accompanied with a 10-year capital improvement plan, similar to the model used for co-ops assisted by the ROC USA® program, to help owners stay on track with intended upgrades and allow jurisdictions to monitor progress.

### **Flexibility in Codes to Facilitate Upkeep**

Some states have codes that are relatively inflexible regarding rent increases. While the intent is to ensure that manufactured housing parks remain affordable for residents, many of these codes also limit the ability for park owners to pass any costs of infrastructure repairs on to its residents. While access to funding, above, can help defray some of this cost, some areas are considering or have built some flexibility in their codes.

- San Jose, California, has rent control and limits the amount that park rents may increase each year. Although capital improvements can be considered, owners must apply and be approved for additional rent increases for this purpose. San Jose Municipal Code § 17.22 et seq.





Though not yet approved, in light of rising pressure to redevelop parks, the city is evaluating strengthening its manufactured housing community preservation ordinances.<sup>28</sup> In exchange, park owners are asking for codes to be more flexible so that they can remain in business and provide the infrastructure maintenance needed over the long term. The city is reviewing allowing limited pass-through of costs to residents in exchange for guarantees of continued operation from the owners (e.g. will continue to operate the park for 20 years). The goal is to balance the needs of residents with continued ability to operate by owners.<sup>29</sup>

- Vermont's Mobile Home Park Act allows rents to be increased once per year. It also allows a capital improvements surcharge as part of a lot rent increase to pay for repairs or upgrades to park infrastructure. For example, if a park owner gets a loan to complete repairs, the owner can apply to the state to qualify for a temporary rent increase over the life of the loan. Vt. Stat. Ann. § 6251.

## Resident/ Tenant Support and Empowerment

Several regulations or support services can be put into place that can provide tenants of manufactured housing parks more stability in their residency and give them greater ability to effect needed change. Support services and tenant protections for residents of manufactured housing parks can help facilitate infrastructure improvements by:

- Laying the groundwork to make it easier for residents to acquire ownership of their park if the opportunity arises;
- Supporting the ability of residents as tenants to inform proper authorities of problems in their park; and
- Helping to incentivize for-profit park owners to maintain park infrastructure.

While there are a variety of options, several resident support and protection provisions appeared repeatedly through this research, including:

- Right of first refusal for residents to purchase parks (and notice of sale);
- Tenant retaliation protection and relocation assistance; and
- Capacity building.

---

<sup>28</sup> See San Jose Zoning Code, Chapter 20.180 for the current conversion ordinance.

<sup>29</sup> See "Mobilehome opt-in/stay in business concept," memorandum to City Council, Jan. 13, 2016, available at: [http://sanjose.granicus.com/Viewer.php?meta\\_id=552046](http://sanjose.granicus.com/Viewer.php?meta_id=552046); Ramona Giwargis, "San Jose council OKs stronger mobile home park protections," The Mercury News, Feb. 23, 2016, available at: [http://www.mercurynews.com/bay-area-news/ci\\_29554457/san-jose-council-oks-stronger-mobile-home-park](http://www.mercurynews.com/bay-area-news/ci_29554457/san-jose-council-oks-stronger-mobile-home-park)



## Right of First Refusal

Several states have right of first refusal requirements of private owners desiring to sell their manufactured housing communities. True right of first refusal statutes:

- (1) Provide sufficient notice to park residents and/or local or state organizations of their intent to sell and
- (2) Obligate the community owner to sell to the residents if they match the terms of the other offer.

Minnesota has a right of refusal statute that requires every resident, not just a resident organization (if one exists), to receive notice of a pending sale.<sup>30</sup>

Variations on right of first refusal statutes include notice-only statutes or statutes that require notice and require that owners must negotiate in good faith with residents wanting to buy, but that do not require owners to accept an offer from residents if it matches the other offer.<sup>31</sup> In these jurisdictions, additional incentives may be in place to help facilitate sales to residents or nonprofit organizations wanting to purchase:

- Vermont and Montana offer tax incentives to private owners who sell to resident or nonprofit groups. Vt. Stat. Ann. § 5828.
- New Hampshire requires each tenant and the New Hampshire Housing Finance Authority to receive 60-days notice of a pending sale of a park. This combines the notice requirements with a strong community loan program that has enabled many community residents to take advantage of the advance notice and buy their communities. Tenants may take longer than 60-days to procure financing for the park, if necessary. N.H. Rev. Stat. Ann. § 205-A:21.

## Tenant Retaliation Protection and Relocation Assistance

Tenants protected from being evicted due to landlord retaliation will be more willing to notify proper agencies of park infrastructure problems, which can start the infrastructure upgrade process.

Likewise, if park owners are required to pay tenants to relocate, this provides a disincentive for owners to ignore needed repairs. If parks are not kept up to public health and safety standards, owners will need to pay tenants to move if the park is closed.

- A wave of park losses in the early to mid-2000's in Oregon resulted in Or. Rev. Stat. § 90.645, which requires park owners to provide tenants with 365 days notice and pay tenants \$5,000, \$7,000 or \$9,000, depending on the size of their homes. Tenants may also be eligible for a tax credit of \$5,000.

---

<sup>30</sup> Minn. Stat. § 327C; see also Jackie Renzetti, "Nonprofit's bid for mobile home park refused by owner," Minneapolis/St. Paul Business Journal, June 27, 2016, available at: <http://www.bizjournals.com/twincities/news/2016/06/27/nonprofits-bid-for-mobile-home-refused-by-owner.html>.

<sup>31</sup> See Vt. Stat. Ann. § 6242 (notice and negotiate in good faith); Oregon Administrative Rule 813-065 (notice)



- Florida also offers protection against closure or redevelopment of parks approved by the state or other governmental entity absent the ability to relocate residents. Under Fl. Stat. § 723.083, no government agency “shall approve any application for rezoning, or take any other official action, which would result in the removal or relocation of mobile home owners residing in a mobile home park without first determining that adequate mobile home parks or other suitable facilities exist for the relocation of the mobile home owners.” This statute can help mitigate when park enforcement agencies and local housing or city and county governments have conflicting policies regarding park closure on the one hand versus preserving housing for the workforce on the other.

### Capacity Building

Building resident capacity has many benefits:

- Organized and educated residents can act more quickly if the opportunity to purchase their park occurs. Support through organizations such as ROC USA®, discussed above, can help with this process.
- Residents who understand their rights can put more pressure on an owner to maintain the park. This is even more effective in jurisdictions with tenant protections in place, such as prohibitions on eviction due to retaliation (discussed above). By knowing their rights, tenants are better able to voice problems and help hold owners accountable for a park’s condition.
- Building relationships with stakeholders at all levels, including trade associations, nonprofits, and other manufactured housing communities, fosters communication and sharing of experiences and resources. By borrowing on the knowledge and support of others, manufactured housing communities can better address their own issues.
- A public relations campaign embracing manufactured housing raises awareness of their value and the value of its residents to a community, helping to build broad support for maintaining this source of housing.

Pilot programs and research projects can also lead to a deeper understanding of issues that may lead to solutions to help build resident capacity and involvement.

- The University of Vermont (UVM) has a Mobile Home Park Research Collaborative which works in partnership with the State of Vermont and other organizations to study manufactured housing community vulnerabilities and develops resources for increasing their resilience. Through recent work, community surveys and forums identified that the voice of park residents were under-represented in town planning processes.

Based on this research, Brookside Mobile Home Park re-energized its defunct Resident Association with technical assistance and support from UVM and the Mobile Home Project. It has since hosted many community events, initiated park efforts to improve the park aesthetics, and organized a representative voice to the town and park owner.





## APPENDIX—REFERENCE TABLE OF JURISDICTIONS BY PROGRAM

### Promote Resident Ownership

JURISDICTION/ LOCATION	BRIEF DESCRIPTION	PAGE
Aspen/Pitkin County Housing Authority (APCHA), CO	Subdivide park, owners own home and land, HOA formed; Colorado also allows owners to create a Metropolitan District to fund park maintenance, providing tax breaks and savings for infrastructure improvements.	15-16, 18
ROC USA	Resident support to purchase parks through co-op from learning of sale, due diligence process, financing, capital improvement plans, ongoing technical resident assistance for maintaining parks, etc.	17, 18
Montana (NeighborWorks)	Owns several parks. Uses Coal Severance Tax Trust Fund to finance infrastructure. Tax incentives.	27-28
Hilltop Mobile Home Park/Steamboat Springs, CO	Residents self-organized; received broad community support to help purchase and subdivide their park.	16
City of San Jose, CA	Extremely high land prices largely prevent residents from purchasing, even with nonprofit assistance or state funding options.	19

### Nonprofit Ownership

JURISDICTION/ LOCATION	BRIEF DESCRIPTION	PAGE
Yampa Valley Housing Authority, CO	Bought Fish Creek and worked with Colorado Water Resources and Power Development Authority to finance infrastructure work	20-21, 26
King County Housing Authority, WA	Used New Market Tax Credits to buy and upgrade parks	21





## APPENDIX—REFERENCE TABLE OF JURISDICTIONS BY PROGRAM

### Park Permit/ Licensing/ Registration

JURISDICTION/ LOCATION	BRIEF DESCRIPTION	PAGE
California, City of San Jose	State-run licensing and inspection program with yearly license and inspection fees; communities can apply for jurisdiction to operate/enforce the program.	23
Vermont	Registration required with a per lot fee; fees supplement a state fund set up to assist with mediation of landlord tenant issues, including problems with unit condition/infrastructure.	22

### Park Inspection Program

JURISDICTION/ LOCATION	BRIEF DESCRIPTION	PAGE
Tucson, AZ	Inspection program only, some communities in Arizona also require permits. Local public health review inspectors are cross-trained to inspect all aspects of infrastructure, replacing the need for multiple inspectors (electrical, plumbing, water, etc.).	23
Pitkin County, CO	Inspection upon resale of property - individual units on septic only. County has jurisdiction for smaller systems (under 2,000 gallons/day) and state has jurisdiction of larger systems (2,000 or more gallons/day).	25
Vermont	Interagency Mobile Home Compliance Group - currently not organized	24





## APPENDIX—REFERENCE TABLE OF JURISDICTIONS BY PROGRAM

### Financing and Other Support

JURISDICTION/ LOCATION	BRIEF DESCRIPTION	PAGE
Common Federal Programs	USDA/RD, HOME, CDBG for infrastructure upgrades.	26
APCHA, CO	APCHA, city and county donations and funds to assist with park purchase and upgrades. Some grants, some low-interest loans. All locally funded (real estate transfer tax (RETT), building fees, etc.).	26-27
Pitkin County, CO, and Tucson, AZ	Works with owners to complete needed repairs if problem found upon inspection; flexible timeframe if progress being made, etc.	24-25
Montana (NeighborWorks)	Lots of state money for infrastructure, not much for home development.	27
San Jose, CA	Had a low-income mobile home improvement program when funding was more flush; also considering changes to their code to allow limited pass-through of costs to residents (San Jose has rent control measures that limit rent increases above a specified amount).	28-29
California Public Utility Commission	Pilot program - grants to upgrade parks to state PUC infrastructure standards.	27
California Dept. of Housing and Community Dev. (NOFA)	Mobile home Park Rehabilitation and Resident Ownership Program (MPRROP) - recently expanded for rehabilitation purposes.	27
ROC USA®	10-year Capital improvement funding plan.	28
Vermont	The Mobile Home Park Act allows a capital improvements surcharge as part of a lot rent increase to pay for repairs or upgrades to park infrastructure.	29
Yampa Valley Housing Authority (YVHA), CO	Colorado Water Resources and Power Development Auth. (CWRPDA), plus Dept. of Public Health (CDPH), Dept. of Local Affairs (DOLA) work to create financing package for infrastructure repairs; YVHA used State Revolving Funds, Disadvantaged Communities program; YVHA looked at USDA, but wary of all of the restrictions.	20, 26-27
Metropolitan Council Minnesota	Manufactured Home Park Infrastructure Fund	28





## APPENDIX—REFERENCE TABLE OF JURISDICTIONS BY PROGRAM

### Resident/ Tenant Support and Empowerment

#### Right of First Refusal and Notice of Sale

JURISDICTION/LOCATION	BRIEF DESCRIPTION	PAGE
Minnesota	Residents/nonprofit purchaser must be able to purchase if match competing offer.	30
New Hampshire	Notice to residents and loans to buy community.	30
Vermont and Montana	Offer incentives to owners that sell to nonprofits.	30

#### Tenant Retaliation Protection and Relocation Assistance

JURISDICTION/LOCATION	BRIEF DESCRIPTION	PAGE
Oregon	Notice and relocation expenses to residents	30
Tucson, AZ	Section 8 preference to qualifying residents displaced by code enforcement if parks shut down or homes removed due to health and safety violations.	8, 25
Florida	Must ensure suitable replacement housing exists before closing park/evicting residents.	31

#### Capacity Building

JURISDICTION/LOCATION	BRIEF DESCRIPTION	PAGE
ROC USA®	Certified Technical Assistance (CTAP) providers give pre- and post-purchase support to residents.	12, 16, 31
University of Vermont	Mobile Home Park Research Collaborative	31

