

Manufactured Housing in Linn County, Oregon

An exploratory report prepared for Willamette Neighborhood Housing Services

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Introduction

Willamette Neighborhood Housing Services has administered the Linn County Housing Rehabilitation Partnership Regional Revolving Loan Fund since 2007. In that time, approximately 25% of the loan applications for repair assistance that were denied were due to it being a non-real property manufactured home, and the subsequent inability to make loans for which liens could be placed. It is also of note that Linn County, the targeted service area, has a manufactured homeownership rate approximately 50% higher than the national average, lending additional urgency to this situation.

This report explores the nature and status of manufactured homes in Willamette Neighborhood Housing Services' primary service areas in order to aid WNHS in the exploration and development of a new program targeting this class of housing. There are several potential options for a new program: single-site repairs, by loan or grant; single-site replacement; and total rehabilitation acquisition—the purchase of entire parks. Manufactured housing has many difficulties, and legal, financial, and physical condition factors must be considered when undertaking any program related to this type of construction. At the same time, there are benefits, in terms of affordability, community, energy-savings, maintenance, and scale. Both sides will be explored in this report in a brief literature review, setting the stage for our market analysis of manufactured housing in Linn County, with special attention to Sweet Home, a manufactured housing-heavy town within Linn County, as it undertakes a federally-funded livability initiative. National and Portland metro statistics will also be utilized, for both comparison purposes and as substitute where local data is unavailable. An overview of Oregon and national property laws and financial considerations, where they pertain to the topic at hand, will also be given. Acquiring knowledge in each of these areas will allow WNHS to determine the most appropriate type of program, as well as its feasibility.

A brief literature review

Manufactured home placement peaked in 1998 at 374,000, but has since have fallen by 90%. While they account for only 7% of all owner-occupied homes, according to Fannie Mae, they are 16% of owner-occupied homes with monthly costs of less than \$500, representing a significant portion of the low-income housing market, thus making it of special interest to affordable housing agencies (Heschmeyer 2013). This form of housing is particularly prevalent in rural areas—in fact, half of all trailer parks are rural (MacTavish et al 2006), and in the late 1990s, before placement dropped, nearly 40% of all new rural residential units were manufactured homes (Collins 2003). Some estimate that as many as two-thirds of existing manufactured homes today are in rural areas (Clayton 2011)—important, given the rural nature of WNHS' primary service areas. As one of the leading sources of unsubsidized low-cost housing, those in affordable housing development cannot necessarily afford to ignore manufactured housing, as both existing practice and future option; however, many have chosen to do so, due to many legitimately detrimental practices over the years, as well as financial and legal complications (Collins 2003; MacTavish 2007). However, doing so—especially in rural areas—may disregard the context and needs of a large proportion of

residents in need of services, undermining such agencies' primary missions.

Manufactured housing has been shown to have both positive and negative potential as an affordable housing solution. Historically, manufactured homes have been far more susceptible to predatory lending and high-interest mortgages, as well as the problems that come with capricious park managers, the sales of park land, rising lot rents and evictions, and high utility costs. 85% purchase with personal property or chattel loans, with far higher interest rates than traditional mortgage, but the homes themselves tend to depreciate in value—after three years, the typical home has a wholesale value of half its original price, and loans can quickly surpass total home value; a process which was occurring long before it reached the general housing market in 2008 (MacTavish et al 2006). Tradeups encouraged by park management also contributed to this, growing chronic debt for manufactured homeowners.

There are also certain costs distinct to manufactured homes—for example, moving costs. It can cost \$25,000 or more to move a double-wide home in Oregon, and all site-specific improvements (gardens, porches, etc.) are abandoned (Tremoulet 2010). One also runs the risk of damaging the home—especially older, more fragile homes, which leads us to concerns about conditions.

Structurally, the poor construction of older homes has led to a plethora of problems, from air pollution and fire hazards to astronomical heating bills and chronically leaky roofs. Even newer homes can have surprisingly high repair costs. MacTavish et al (2006) cite a study stating that manufactured homes were five times more likely to fail structurally than site-built homes over a ten-year period. There are also health risks from some of the construction materials used and lack of air flow, as well as a substantially higher risk of dying in a house fire. Additionally, utility bills can be exorbitant in older homes with inadequate insulation and poor construction. (The current construction and conditions of homes will be discussed at greater length later in this report.)

Despite these risks, there is still positive potential. Since 1976, when new HUD standards for manufactured home construction went into effect, the quality of construction has improved immensely, and has continued to do so over the years. Thanks to a new push for fair lending practices, more manufactured home loans have also been honored by the FHA and VA, allowing for better interest rates and more stable financial practices. While manufactured home financing and investment potential are still problematic, they are relatively inexpensive to purchase—a comparison of \$41 per square foot to \$85+ per square foot, on average—with easier and cheaper maintenance (Margonelli 2013). The median cost per month for routine (non-major repair) maintenance for an owner-occupied manufactured home was only \$17—half the median cost that exists for site-built homes (AHS 2011a). For nonprofit agencies considering developing new units, the average cost to produce a single-unit home in 2001 was a mere \$36,000 (Collins 2003)—\$55,000 for a multi-unit. Manufactured home production offers the opportunity to develop economies of scale in housing production, providing greater efficiency via production coordination and reduced waste from the standardization of materials and process. The average sales price for a brand-new

manufactured home is \$62,800, as opposed to \$272,900 for new site-built construction; in 2010, manufactured homes accounted for 72% of all new homes sold under \$125,000, and 27% of those under \$200,000—a significant portion of the low-income housing market (Clayton 2011). The quality has also improved immensely since the HUD code implementation of 1976, with continual revisions to the code to improve safety and health considerations over the intervening years—such as additional regulations regarding smoke detectors, limitations on combustible materials, and ability to withstand high winds, as well as increased EnergyStar production, which can save between 24 and 29% on average total heating and cooling costs (Collins 2003; CFED 2013). Modern estimates indicate that new manufactured homes now share the same life expectancy as modern site-built homes, and, if installed properly, are equally safe and storm-resistant thanks to the latest HUD guidelines (CFED 2013).

Tremoulet (2010) also points out that many of those living in parks receive some of the benefits of landlord stewardship (lawn care, community policing, etc.) at a lower cost and less intrusion than apartment living. Manufactured homes also allow the independence of homeownership when it comes to home improvement, gardens, and other such home projects, but on a smaller, more manageable scale.

The social aspects of manufactured housing cannot be neglected in such a conversation. Historical marginalization and stigmatization are very real in this market; some “draw the rural trailer park as the equivalent of a rural slum; an image the public willingly accepts” (MacTavish 2007: 75). While its popularity among low to moderate-income rural families remains high, an idea of a “bad place” for “bad people” persists.

While an earlier work by MacTavish argued that manufactured home parks led to social insecurity, via a sense of impermanence that did not allow for relationship-building coupled with the stigma and stereotypes of manufactured homes and their owners (MacTavish et al 2006), others see a more positive social aspect of manufactured home parks, especially for aging Baby Boomers. Lisa Margonelli, writing for the *Pacific Standard*, explored the potential for manufactured home parks to serve as de facto retirement communities—centered around a series of interviews set in one retiree-heavy California park (Margonelli 2013). She found that manufactured home parks can offer a strong sense of community and an aura of safety for seniors that may not be found in other types of housing, encouraging daily interactions as well as outdoor physical activity and other benefits. Similarly, Portland State University professor Andree Tremoulet sees the potential for manufactured home parks to be the next NORCs—naturally occurring retirement communities—and ripe for integrated, low-cost social services that will allow natural aging in place for residents, with little upheaval and few taxpayer dollars. As of 2010, approximately 13 million Americans aged over 50 lived in manufactured homes. While these citizens tend to have lower incomes than the population as a whole, nearly 6% have incomes of over \$80,000. A manufactured home, then, may not be just an economic necessity, but a choice, as Margonelli explored, of a certain type of lifestyle that balances homeownership with intentional community. In a qualitative study of older manufactured home residents, Tremoulet found a set of positive

themes individuals attributed to their living situation—increased personal safety and sense of community, contributions to physical health (walking outside more), neighborliness, increased social interactions, easier maintenance, better for personal mobility (smaller, one-story units), and ownership, for those who would otherwise rent, with many of its attendant benefits. On the negative side, a lack of privacy, poor quality management, vulnerability to park closures, and a lack of leverage with park owners were all expressed—although the strong sense of community sometimes allowed for enough collective action to overcome that barrier. In short, he found that, while economics constrained choices for some, many found this to be a community of choice, and that, just as poorly-maintained, unsafe, hazardous communities could exist, so could well-maintained communities with active resident participation and a thriving social sphere—stereotypes are not always true. For some, it is already a deliberate lifestyle choice that they have found to be rewarding—both the close proximity of the physical setting and the self-selection of those who desire more community help enhance this reward. However, the stigma that drives both cultural attitudes and public policy (second-class financing, reduced legal rights, et al) must be changed first—a point that Margonelli, Tremoulet, and many others have come to in their explorations of current manufactured home opportunities.

In short, manufactured housing offers both an energy-efficient, affordable, community-friendly alternative to traditional homeownership or apartment living, as well as a host of legal and financial issues, both cultural and political stigmatization, and, in the case of older homes, health hazards. Many of these factors are correlated directly with the age of the home and its location—its physical condition and its legal and financial status rest heavily on these two factors, among others. These are factors we will explore directly later in this report, specific to Oregon. First, however, we will further explore the financial and legal landscape of manufactured housing in the United States.

Financing

Financing manufactured homes is fraught with difficulties—particularly for those who do not own their own land. While manufactured home agents will help buyers obtain financing, it is most often as a personal property loan or retail installment plan directly through the manufacturer, with a significantly higher interest rate than a traditional mortgage—anywhere from 6 to 14%, though potentially even higher (Berry 2013). While FHA, VA, and rural loans exist to help procure manufactured homes, there are many restrictions that make it difficult for purchasers (HUD 2013d). Unless one already owns the land, one usually must take out a personal property loan (otherwise known as “chattel mortgages”). Almost no financiers will finance a pre-1976 home, due to the substandard quality of construction that occurred before new HUD construction guidelines went into effect that year—those that do finance it may even charge as high as 18% interest (MH-Loans 2011b, 2011a). According to the Oregon Manufactured Home Association, personal property loans generally require a 10 to 20% down payment and are financed over 10 to 25 years, with an interest rate a few percentage points higher than those for real property loans (OMHA 2013). In some land/home cases, multi-disbursement construction loans are also a possibility.

As mentioned, the FHA, under HUD's oversight, does insure loans for manufactured housing, under certain conditions (HUD 2013b). Under Title I, all homes must comply with the Model Manufactured Home Installation Standards, as well as all applicable state and local requirements regarding the installation and construction of the foundation. The unit must be owner-occupied, and must have a proper site on which to place it. This can include a site within a park, as long as both park and lease meet certain FHA guidelines. It can be either an initial purchase or a refinance, and the unit can be either used or new. If the unit is new, it must have a one-year manufacturer's warranty. It must also have an adequate water supply and sewage disposal facilities available. The maximum loan amount for the home alone is \$69,678; for a lot, \$23,226; for both combined, \$92,904. (This can be increased in certain high-cost areas). The maximum term is 20 years for a home or single-section home plus lot; 15 years for a lot alone. (The term increases to 25 years for a multi-section home plus lot.) PMI (private mortgage insurance) is paid by the borrower for the life of the loan.

Also under Title I of the National Housing Act, the FHA's Title I Property Improvement Loan Program insures home improvement loans for homes with low equity (HUD 2013c). These loans are for any improvements that make it more livable, including disability access, appliances, and energy conservation improvements, and can be either DIY or through a contractor or dealer. You must own the property or have a long-term lease. The maximum amount for real property manufactured homes on a permanent foundation is \$25,090, for 15 years; the maximum for personal property is \$7,500, for 12 years (the rationale being that any loan over \$7,500 must be secured by a mortgage or deed of trust on the property (HUD 2013a)).

The FHA is not the only insurer of loans. New manufactured homes are also eligible for USDA rural development section 502 loans, as long as they are permanently installed and meet the HUD Manufactured Housing Construction and Safety Standards and HCFP (Housing and Community Facilities) thermal and site standards. The purchase of existing manufactured housing is not eligible unless it is already financed with an HCFP direct or guaranteed loan (or is currently real-estate owned and formerly secured by such a loan). No down payment is necessary, and loans are insured for up to 90% of the original loan amount and may be sold on the secondary market, potentially helping to ameliorate some of the concerns of financial institutions. However, loans are restricted to rural areas, to those earning less than 115% of local area median income, and to those without current adequate housing, and, as mentioned, do not apply to most already-existing homes (OCC 2013).

The VA also guarantees manufactured home loans for veterans, up to 40% of the original loan amount or \$20,000 (whichever is less), and are attained with as little as a 5% down payment. Unlike rural development loans, it may also be used to purchase existing homes and/or lots or refinance a currently-owned home, and can be placed in either a VA-approved park or on private land, as long as adequate water and sanitary facilities exist (VA 2013).

While these types of insurance may encourage some lenders to consider manufactured homes, the struggle for financing extends to those that purchase mortgages as well. While

technically amenable to low- and moderate-income buyers, Freddie Mac will only purchase manufactured home mortgages if the home is on a permanent foundation and is titled as real property (Freddie Mac 2013). The average Fannie Mae loan for a manufactured home is \$113,000—just over half of that for a site-built home—and Fannie Mae touts a commitment to helping low-income borrowers achieve first-time homeownership. However, it is similarly restrictive, as homes must still be classified as real property and permanently affixed to their foundation—a minority in the manufactured housing market (Fannie Mae 2013).

As part of the Housing and Economic Recovery Act of 2008, a specific “duty to serve” was established for Fannie Mae and Freddie Mac to serve low-income families and manufactured housing needs and create a viable secondary market for these products (MHI 2013). The GSEs have been slow to address this need, however, with less than 1% of their business coming from this type of housing as of 2011, and none from those deemed personal property—both controversial and unhelpful, considering that a large portion of this market is personal property, and that this is where the real need lies (Clayton 2011). Thus, while the FHA (and other agencies) will insure personal property loans (as well as real property mortgages, under Title II), it is not happening as much as it could, due to lenders’ continued reluctance under both the impression of higher levels of defaults and the frequent inability to sell the loan to the GSEs (Apgar et al 2002; Berry 2013). The Corporation for Economic Development found that, as of December 2012, the average default rate was at 9.7%—actually better than the 10.8% in the broader market of government-backed loans (Berry 2013). (However, this number rose to 15.9% when USDA section 502 loans were included.)

Don Miner, president of the Oregon Manufactured Home Association, discussed another setback in the financing world. The Dodd-Frank rules, as a reaction to the housing market crash, attempt to limit high-cost loans. However, due to the low purchasing value of manufactured homes, many manufactured home loans would be considered high-cost—especially where it is for the home alone—and would not be approved, presenting yet another hurdle to financing manufactured homes. The Manufactured Housing Institute—a national advocacy organization—points out that such rules are not well-suited to this market (MHI 2013). A 2011 article for *National Mortgage News* similarly pointed out that, whether it is a \$20,000 or a \$200,000 loan, the costs of origination and servicing are very much the same, but it creates a very different ratio in the eyes of the government. As mentioned earlier, at the time, the median purchase price for a manufactured home, old or new (without property) was \$27,500; for a brand-new home, \$62,800 (compared to \$272,900 for new site-built construction) (Clayton 2011).

In short, while financing exists, manufactured homes still comprise a “second class” form of housing under existing financial regulations—something that must change for it to be viable for a larger number of people, should that become a goal (especially for seniors or those seeking a greener, smaller-ecological-footprint style of living) and something that must be carefully considered when undertaking any loan-based rehabilitation or replacement program. It is noteworthy that, despite not owning the land, manufactured homes in parks may still cost the owner more money in the long run, as long as they are given higher-

interest loans plus paying lot rent, which may increase at the whim of a park owner (Apgar et al 2002). (This effect is certainly enhanced when rent is increased beyond a person's ability to pay, and the home must be abandoned in the face of monumental moving costs—all equity is then lost.) The shorter terms of loans also affect payment size as well (though it bears noting that the median manufactured home total monthly cost is still smaller than the average site-built home payment, at \$545 per month). These effects are still serious, however, and disproportionately concentrated among lower-income individuals and families—and thus, should be of special concern to organizations that seek to better the lives of low- to moderate-income families.

Having discussed the financial considerations of manufactured homes, we now turn to their physical condition—an important consideration, in light of the close link between healthy housing and healthy families.

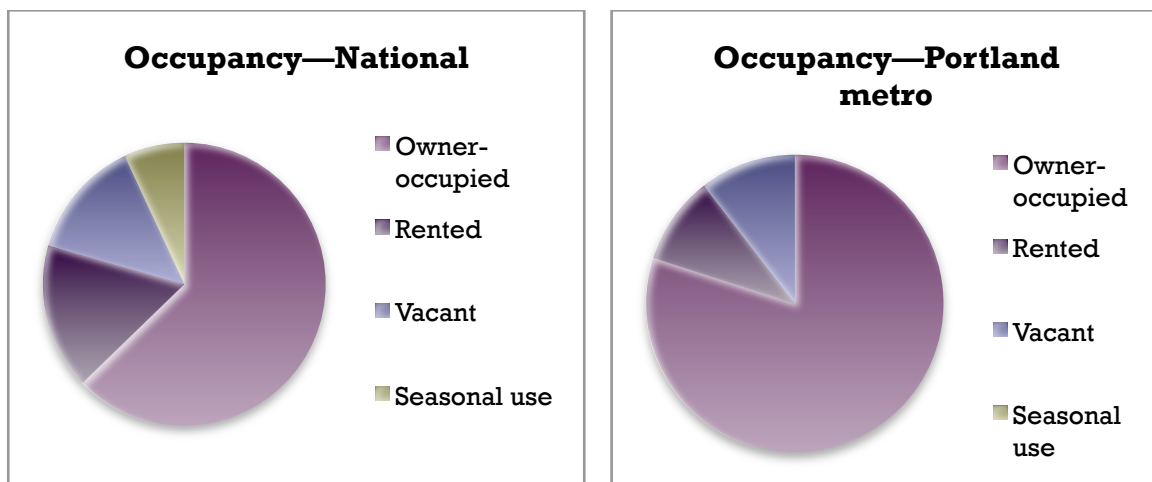
Current construction, status, and conditions

In June of 1976, HUD created a standardized code for all new manufactured structures, specifying the quality of construction. This changed the landscape of manufactured housing greatly. In fact, today some argue that manufactured homes are of as high a quality, or even higher, than site-built homes, with both greater “green” potential and affordability.

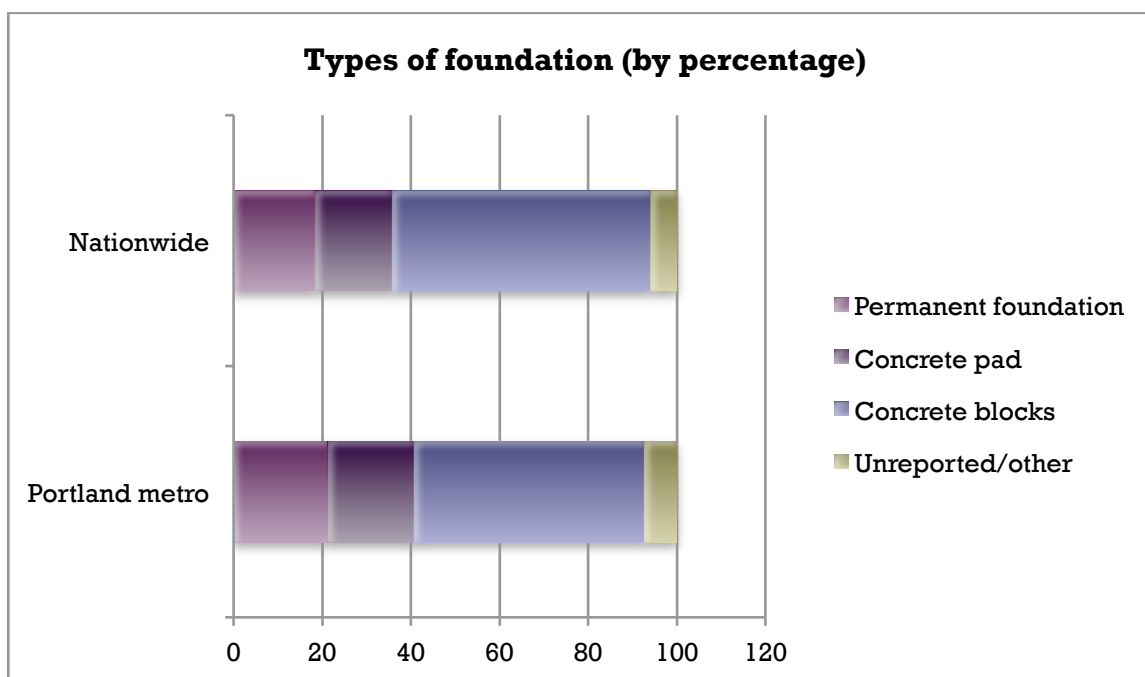
However, this has not always been the case. As described in the literature review, physical condition issues abound. Without hard data specific to Linn County available on the condition of currently-existing homes, we utilized two alternative sources of information: the American Housing Survey and personal interviews with contractors specializing in manufactured homes.

The American Housing Survey, while not county-specific, still lends insight into the state and nature of manufactured housing via its national and metro data (in which the Portland metro area is included), including its style of construction, the types of repairs most often necessary, their age, and their financial status. While Portland has admittedly different demographics and culture than Linn County, we include their numbers as the nearest comprehensive study available to our target area, being less than 100 miles away and also residing in similar weather, financial, and political conditions.

First of all, there are **9,049,000 manufactured homes nationwide**, with **34,400 in the greater Portland metro area**. While 6.92% (626,000) nationally are for seasonal use (i.e., at a vacation spot as a second home) and 13.63% (1,233,000) are vacant, 62.74% (5,678,000) are owner-occupied, and 16.71% (1,512,000) are rented out, for a total of 7,190,000 occupied units nationwide. For Portland, 79.94% (27,500) were owner-occupied, 9.59% (3,300) were renter-occupied, and 10.47% (3,600) vacant—a higher owner-occupancy ratio.



Nationally, 18.39% (1,664,000) reside on a permanent masonry foundation, 17.47% (1,581,000) on a concrete pad, 58.25% (5,271,000; the majority) on blocks, and 5.89% (533,000) were either unreported or had an alternate configuration. In Portland, 21.22% (7,300) reside on a permanent foundation, 19.48% (6,700) on a concrete pad, and over half (17,900, or 52.03%) on blocks, with the remainder unreported or utilizing an alternative configuration.



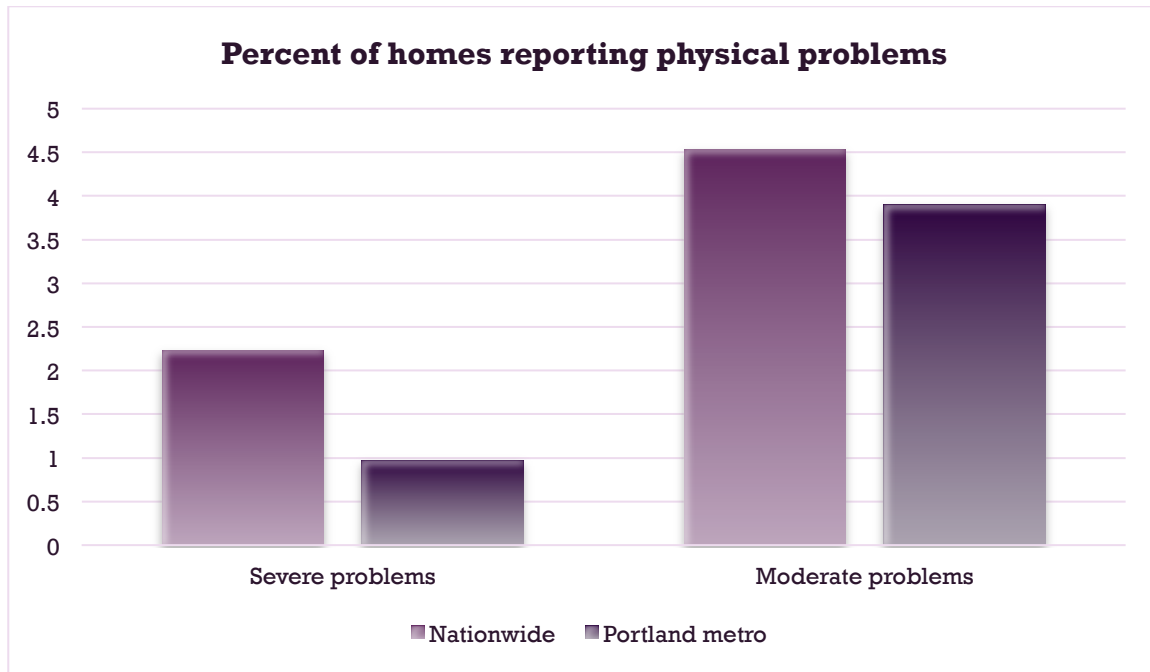
The median year for manufactured home construction nationwide was 1989; for the Portland metro, 1982. While nearly half of homes nationwide have been built within the last 25 years, there still remains a significant number of older homes, particularly from the pre-HUD regulation era. In Portland, the housing stock is skewed even older, with only a third built since 1990—the “cutoff” for current quality mentioned by two of the contractors we interviewed, as shall be discussed.

	Nationwide		Portland Metro	
	Number	Percent	Number	Percent
2000 to present	1,464,000	16.18%	3,200	9.3%
1990-1999	2,784,000	30.76%	8,700	25.29%
1980-1989	1,940,000	21.44%	6,200	18.02%
1970-1979	2,021,000	22.33%	10,900	31.69%
1960-1969	631,000	6.97%	5,300	15.41%
1950-1959	98,000	1.08%		
1940-1949	49,000	0.54%		
1939 & earlier	63,000	0.7%	100	0.29%
	Median year of construction: 1989		Median year of construction: 1982	

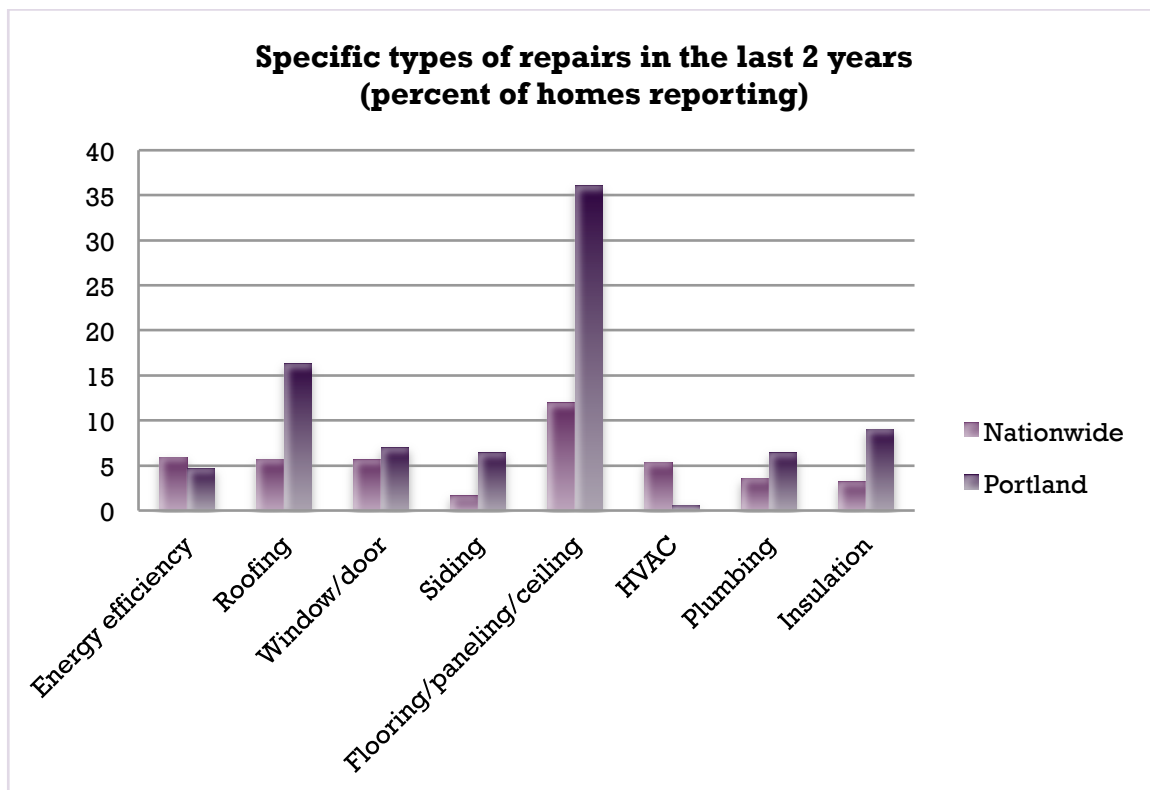
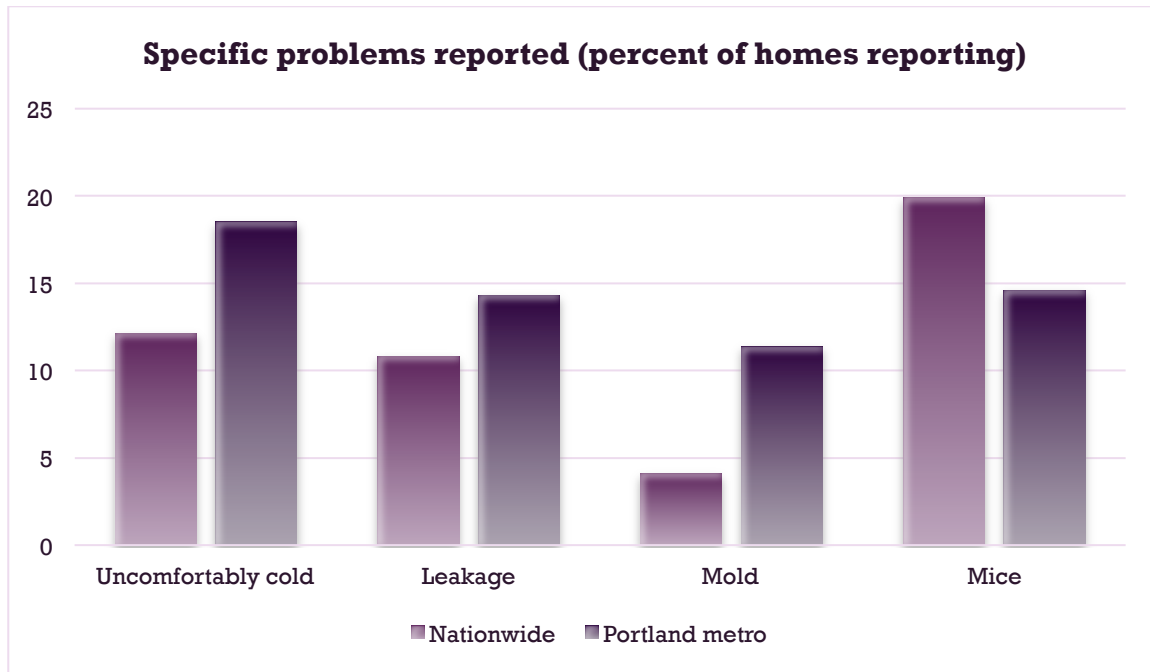
The median square footage for a manufactured home nationwide is 1,100 square feet (1,168 in Portland).

Age, size, and foundation give valuable insights into understanding the manufactured housing market and potential repair needs. Of greatest concern, however, is actual physical deterioration, which the AHS also measures via surveys. While self-reporting is an issue, these numbers are still illuminating as to overall conditions.

Of the 7,190,000 units occupied nationwide, 160,000 (2.23%) reported current (unrepaired) severe physical problems, and 326,000 (4.53%) reported moderate physical problems with their unit. Plumbing (104,000 homes reporting) and heating (49,000 homes reporting) were the two most common severe issues, and general upkeep (153,000) and heating (131,000) the most common moderate issues. However, other statistics showed a more troubling picture. For example, **873,000 homes (12.14%) reported that they had been “uncomfortably cold” for 24 hours or more in their home.** The causes: 236,000 experienced utility interruptions; 208,000 experienced heating equipment breakdown (with over half of those having an episode that lasted six hours or more); 137,000 cited the cost of heating as the reason; 120,000 contained inadequate insulation; and 93,000 had inadequate heating capacity in the first place. 602,000 homes reported water leakage from inside the structure; **779,000 had leakage from outside the structure (72.79% directly from the roof).** **294,000 had experienced mold problems within the last 12 months**, and 1,430,000 reported mice. In terms of repairs already completed, 537,000 owner-occupied homes reported undertaking energy-efficiency projects (although less than 13% received a tax credit) in the last two years, 513,000 repaired roof issues, 510,000 conducted window or door repairs, 150,000 did siding repairs, 320,000 did plumbing repairs, 292,000 conducted insulation repairs, 1,080,000 undertook flooring, paneling, or ceiling repairs, and 487,000 HVAC repairs were completed.

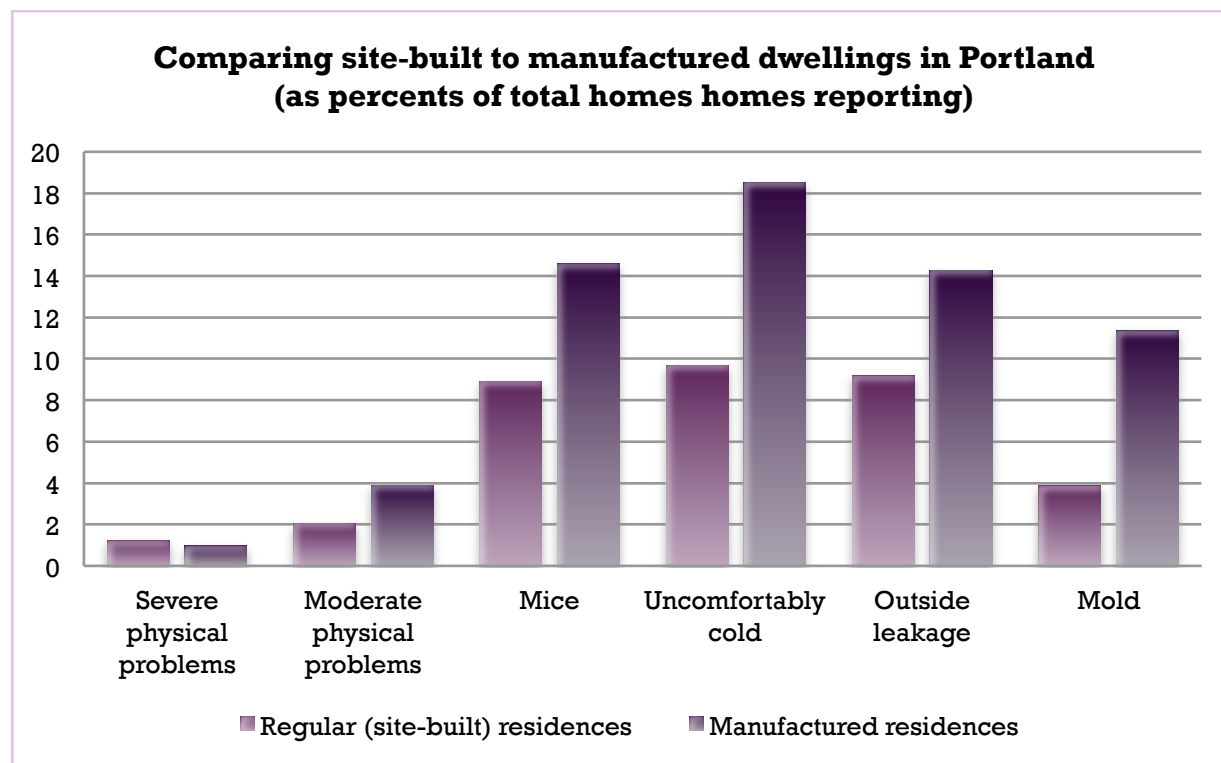


In Portland, only 300 units reported current severe physical problems (plumbing being the leader), and 1,200 reported moderate problems (kitchen issues being number one). **5,700 reported being uncomfortably cold for a period of more than 24 hours in their home**, for many of the same reasons; the leading two were cost of heating (2,400 cited) and utility interruptions (2,300 cited), speaking to both structural and financial issues at work in manufactured homes and for the families that dwell in them (and certainly lending legitimacy to ongoing weatherization efforts). **Over 15% of total manufactured homes reported using potentially hazardous methods of heating to make up for such deficiencies**, such as a gas oven with an open door, a kerosene or electric space heater, or an outdoor wood fire broiler. This is of special concern, considering that many older homes utilized highly flammable building materials that have since been banned from construction usage. 4,500 had mice issues, **4,400 had leakage from the outside**, and **3,500 had experienced mold problems within the last 12 months**. What of repairs already done? In the last two years, 1,600 owner-occupied manufactured homes in Portland reported undertaking projects to increase energy efficiency (though less than one-third received a tax credit for it), 2,200 did plumbing repairs, 5,600 did roofing repairs, 2,400 did window and door repairs, 3,100 did insulation repairs, 200 did HVAC repairs, 2,200 undertook siding repairs, and 12,400 did flooring/paneling/ceiling repairs.



What about compared to normal residences? In Portland, 1.22% of homes reported severe physical problems, and 2.05% reported moderate issues. 8.92% reported having mice, 9.69% reported being uncomfortably cold for 24 hours or more, 9.19% reported leakage from outside, and 3.87% reported mold. For each of these specific problems, as well as moderate issues overall, manufactured homes fared worse than other residences. (The only

exceptions were self-reporting “severe” repair issues, where other residences reported a slightly higher rate, and using hazardous heating sources, with 21.2% of residents.) **For mold, the rate of problems was triple that of other non-manufactured residences; being uncomfortably cold for 24 hours or more was nearly double; and leakage and mice issues occurred at a 50% higher rate.**



It bears noting, however, that the self-reported health of the owners of these homes was still fairly high, with the median being “very good.” While one cannot deny the potential health impacts of mold issues, inadequate heating, and other common issues, the cause of manufactured homes is not altogether lost from a health standpoint. As we discuss elsewhere in this report, newer homes report far fewer issues as construction has improved over time—dramatically after the new building codes of 1976, and gradually ever since.

Of the 27,500 owner-occupied units in Portland, 12,000 hold a mortgage, with the median year of origination 2004. The data fails to specify whether chattel mortgages are excluded or included with this number. The sources of the mortgages indicate that they may be, at least in part. Of primary and secondary mortgages combined, 6,900 borrowed from a financial institution, 1,800 from the seller, 1,400 from another source, and 1,900 unreported. These murky numbers reflect the dubious nature of manufactured home financing. Of the primary mortgages, only 1,200 were FHA guaranteed, with an additional 200 from the VA—the vast majority were a nondescript “other.” The median interest rate for manufactured home loans was 5.3%—only 0.4% higher than new construction and 0.2% higher than the median of all owner-occupied units put together in the area. The median outstanding principal was \$85,000, with the median current total loan as percent of home value at a staggering 118%.

Compare that to the median percentage for all owner-occupied units, which was 71%, or for new construction, at 97%. The median monthly payment was \$635, and approximately 12.7% were paying 40% or more of their monthly income.

Of the owner-occupied units, the reported median value nationwide was \$30,000, with a median monthly housing cost of \$545. The median original purchase price was also \$30,000. In Portland, **the median value was \$14,000, with an initial median purchase price of \$25,000**, showing that the Portland metro has not fared well in retaining value. The median monthly housing cost is \$653—higher than the national average.

The household median income for those residing in manufactured homes was \$27,984, with a median age of 52. 71.6% reported having a high school degree or greater; 6.9% reported a bachelor's or greater (compare to 30.9% of all reporting housing units). In Portland, the median household income was \$25,500, with a median age of 54—very similar. Education levels were significantly higher, at 87.2% and 14.6%, respectively.

While these numbers are not specific to Linn County, the target service area, they provide insight into trends within manufactured housing that can help guide WNHS' decision-making. As mentioned, we also conducted interviews with a number of local contractors to help establish local conditions. First, however, we will discuss the specifics we do know of manufactured housing in Oregon and Linn County.

Manufactured housing in the state of Oregon¹

Statewide, there are 1,104 parks with 66,938 spaces, per the OHCS directory, with 140,456 homes total throughout the state as of 2011—collectively representing nearly 8.5% of the state's housing stock (OHCS 2013d, 2013b). In the Willamette Valley and North Coast region of the state, where both Benton and Linn Counties are located, a total of 385 parks with 23,833 spaces exist, with a total of 49,639 mobile homes all together in 2011—representing nearly 10% of the region's housing stock (OHCS 2013e). We will briefly explore the status of manufactured housing in the state of Oregon, before going more in-depth on our geographical areas of interest.

In the state of Oregon, for tax purposes, a manufactured structure is defined as a 1) manufactured dwelling, 2) prefabricated structure more than 8.5 feet wide that can be moved to a new location, or 3) a recreational vehicle more than 8.5 feet wide, constructed for movement on public highways (DOR 2013). These homes are automatically titled as

¹ While I have tried to use the most up-to-date information possible in the following sections, occasionally I have chosen older sets of information for continuity's sake (for example, pairing 2010 census data with other 2010 numbers) where it seems most appropriate. However, occasionally there is a mismatch between datasets as far as years go, where I have tried to take the most recently available information possible (for example, the OHCS directory is continually updated; while the county housing profiles are very recent, the park numbers may already be slightly outdated). While this disconnect between data has been minimal, I have pointed it out where it occurs, and have verified to the best of my ability that the variations (usually in terms of population and housing data) are slight, and thus have no significant impact on the conclusions drawn.

personal property. However, the property can be converted to real property if the same owner owns the land upon which it sits and, per ORS 308.875, all such lands will be assessed and taxed as real property; otherwise, it is assessed and taxed as personal property (OR State Legislature 2012). There is also opportunity to convert it to real property if it has a lease of at least 20 years or more (and the lease explicitly allows it). At that time, the home will be recorded in the county deed records and the ownership document turned over for cancellation. It can only then be sold separately from the land if again removed from the deed records. The record also lists any unreleased security interest (DOR 2013). In May of 2005, the responsibility for maintaining statewide ownership documentation transferred from the DMV to the Building Codes Division, and at that time, the LOIS database was created to begin recording ownership and all changes to these homes. Manufactured homes treated as personal property must be registered with the Building Codes Division, as part of the Department of Consumer and Business Services, with all ownership interests included; an ownership document is then issued, and the home is duly recorded in LOIS (BCD 2013).

The state has shown special attention to the issues associated with manufactured homeownership in several ways. One of these is the creation of the Manufactured Communities Resource Center (MCRC), housed under Oregon Housing and Community Services. The relationship between landlords and tenants can be fraught with frustration, legal issues, and unresolved conflict, and the state of Oregon has sought to provide resources to both parties via this endeavor. The MCRC helps both tenants and landlords understand fair housing laws and individual rights and responsibilities, mediate disputes, provide access to pertinent laws and legal information, and provide access to both tenant and landlord associations. Essentially, their role is to serve as an impartial entity, fostering communication, improving relationships, and providing a centralized resource center to ensure that everyone knows the law and their rights. The MCRC also maintains the OHCS directory of all manufactured home parks within the state.

However, in some areas the state has also shown neglect, as in its statewide records collection—a complicating element of our study that will be discussed shortly, as we examine the statistics for both Linn County and Sweet Home.

Linn County

In 2011, the population of Linn County was 117,340 (Blue Book 2013). Per the 2012-2013 Linn County tax rolls, there are a total of 5,232 manufactured structures, with a total assessed value of \$109,873,830 and real market value of \$116,396,660, making the average assessed value of a manufactured home, county-wide \$21,000. This can be made further specific by type of property:

Type of property	Number of units	Total assessed value	Average assessed value
Real property with land	2 units	\$196,350	\$98,175
Real property without land	1,026 units	\$26,370,800	\$25,703
Personal property without land	4,204 units	\$81,717,223	\$19,438

Source: <http://www.co.linn.or.us/assessorshomep/assessor.htm>

Note that, as a rule, Linn County transforms manufactured structures that are real property with land into regular properties in the tax roll, with value-adding improvements. (Note that only two such homes remain in this list.) Thus, we lack the total number of manufactured structures within the state. According to a local housing profile commissioned by the state of Oregon, with data drawn from the Census Bureau's American Community Survey, there were 6,034 by 2011. The Oregon BCD (Building Codes Division) holds records for approximately 18,000 homes within the county. This is a wide range of possibilities. Recognizing that the BCD can only update its information by ownership documents received and that many may not update this over time (when homes are moved, destroyed, abandoned, etc.) and considering that, even just counting the 5,232 homes the assessor has, Linn County has an approximately 50% higher rate of manufactured homedwellers than the United States or the state of Oregon, we will work with the number that the state of Oregon gives and set it at 6,034 total, acknowledging that the BCD number is illogical relative to what we know about Linn County and the United States as a whole and that the ACS is generally well regarded as a source of statistical information. However, the BCD data will be used for some limited descriptive purposes, as shall be discussed.

There are 42 manufactured home parks with 2,633 spaces, per the OHCS directory (OHCS 2013d). By these numbers, the division of manufactured homes between parks and private land is split nearly evenly, with 43.64% residing in parks and 56.36% residing elsewhere—a similar proportion to the state as a whole. The state estimates that **manufactured housing makes up 12.5% of total homes within the county**—much higher than the statewide average (OHCS 2013c). Approximately 69.7% of the homes are personal property—the rest being converted real property or real property with land.

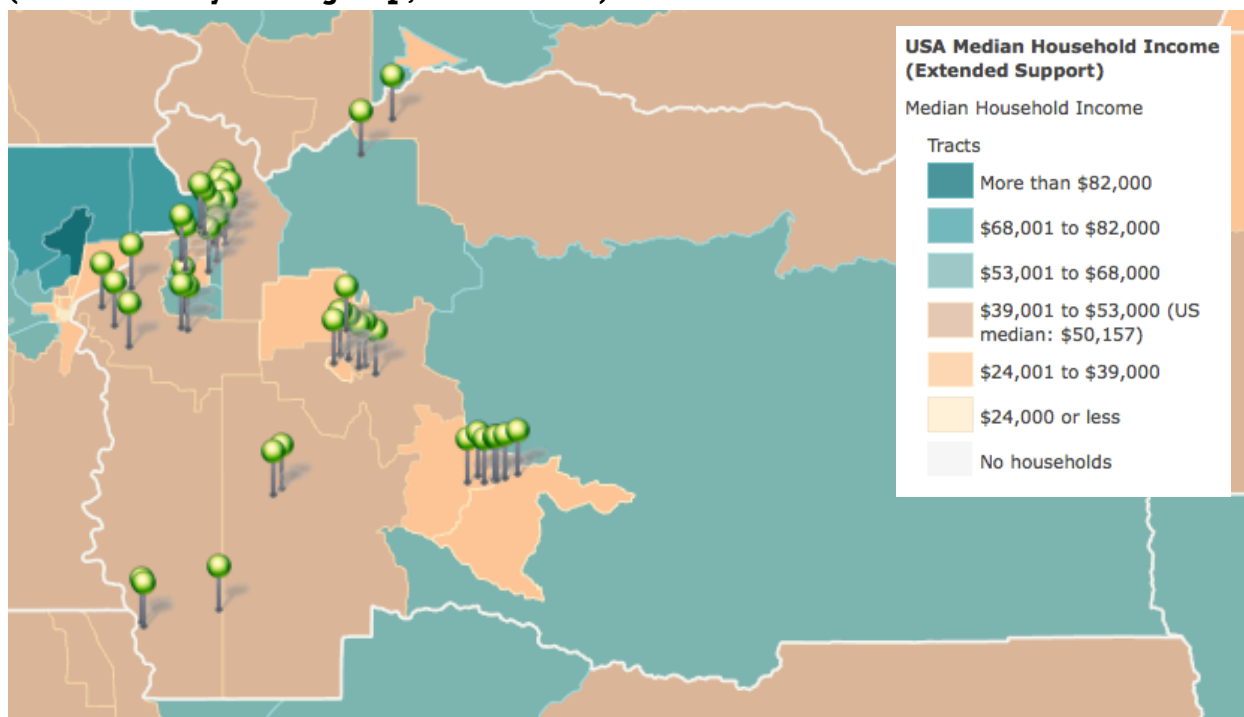
At this point, some local demographic information may be useful. Per the 2010 census, there were 45,204 households and 116,672 residents in Linn County. The largest minority population in Linn County is Hispanic/Latino, at approximately 7.8% at the time of the 2010 U.S. Census. The median age is 39.2, with 15.4% of the population over the age of 65; the average household size is 2.55. Female-headed households comprise 11.2% of total households, with over half of these having children under the age of 18. 65.1% of housing units are owner-occupied (Census 2012).

From the number of households and the housing statistics, we can see that **about 13.35% of households are currently dwelling in manufactured homes**. However, while some

individual towns surely fall below this number, some rise high above it—such as Sweet Home, Oregon, which we shall discuss at greater length momentarily.

The following map shows the location of all manufactured home parks within Linn County, with an overlay of median household income. Poster A (see attached) details this at the more-precise block level; this map, however, shows the data at tract level, per 2012 data. What we see is, first and foremost, that the majority of inhabited Linn County falls into the bottom three categories. (By inhabited, I mean the majority of towns and citizens; much of the county is dominated by national forest and mountainous areas, and the higher incomes in those areas most likely reflect vacation and post-retirement homes.) At the tract level, we cannot see major variations relative to where parks are located; however, we do notice their conspicuous absence, relatively speaking, in the small patches of higher-income tracts, notably around Albany, the county seat (the northwest cluster).

**Linn County, Mfd. Home Parks and Median Household Income by Census Tract, 2012
(for division by block group, see Poster A)**



We examined the BCD data as well to attempt to identify trends in manufactured housing. Initial searches for duplicate information reduced over 18,000 records to less than 10,000, and this number was eventually refined to 9,053. Some acknowledged duplicates remained, where it was unknown which record was currently correct (i.e., which of two homes at the same address was currently still in residence, or at which address a home that had been moved currently resided). As the total number of records is still 50% higher than the most reliable actual number of homes, we cannot rely heavily on what it presents. However, were we to postulate that the extraneous records were somewhat evenly distributed in the variables we examine, along with the valid records, there are some pieces of information we

may withdraw for informative purposes. According to this data, the median year for home construction is 1985—comparable to the national average, although slightly older.² About 25% of homes still have loans of some sort secured on them. About 27% of the county's manufactured dwellings are in Lebanon, followed closely by Albany at approximately 25%. Sweet Home, despite its smaller size, still garners approximately 17% of the total share. Again, these numbers cannot be cited as statistically sound, but are for informational purposes only where more concrete data does not exist.

Sweet Home

Sweet Home, Oregon, as a “gateway” community to many of the region's natural resources, public lands, and recreation, has undertaken a two-year livability initiative with a \$460,000 grant to explore future community changes and keeping the community livable for all. One important aspect of this is exploring the availability of quality, affordable housing for current residents, with an eye toward future needs as property costs threaten to rise, and Willamette Neighborhood Housing Services has been invited to participate in this discussion—a major part of which will include manufactured housing (Paul 2013).

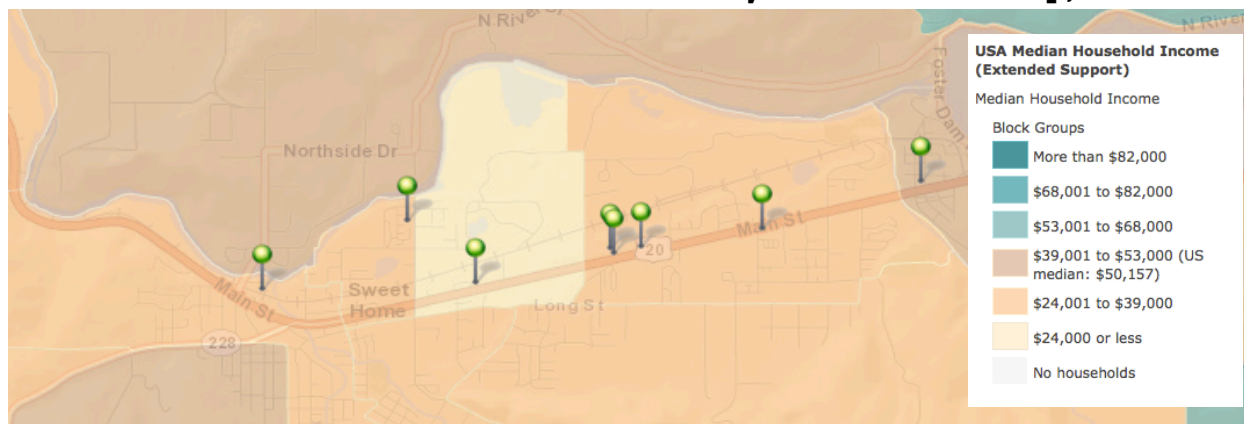
Sweet Home, per the OHCS directory, has 8 parks and 414 spaces (OHCS 2013d). In a town of just over 9,000 citizens (9,011, as of 2012), this is a significant number. Given that the total number of households was 3,440 at the 2010 census, at which time the population was 8,925 (Census 2012), this type of housing could encompass as much as 12% of the population, not counting those that live outside of parks—which, in Linn County, is roughly 56% of the manufactured home population. Thus, it may be that **as many as 28% of households are currently dwelling in manufactured homes**, were that average to hold. While this is certainly an imperfect calculation, we can see that manufactured housing currently plays a significant role in Sweet Home's housing. When asked if this number seemed reasonable, Sweet Home city manager Craig Martin responded that he would estimate closer to 10 to 15% dwelling in manufactured homes within the city limits, but if one were to incorporate the immediately surrounding rural areas, it may very well be that high. It is also notable that **Sweet Home's population density is over 40 times more dense than the state of Oregon's total average**—a fact that may possibly be attributable to this prevalent form of housing. 15.9% of Sweet Home's population also lives below the poverty line—slightly above Oregon's average of 14.8% (Census 2013).

The following map details median household income by census block. While a town this size does not yield highly specific data in this format, we can see that household incomes for the regions encompassing seven of the eight parks fall below \$39,000, and that Sweet Home itself is a lower-income area until you reach the east—presumably due to its gateway status

² The difficulty with ascertaining median year from the BCD data is that there are two main reasons a home on the list would be removed from the county—destruction or moving to another locale. Destruction would disproportionately target older homes, and thus outdated records may favor an older age; moving would favor newer homes able to be reconstructed, and would skew the outdated records toward a newer age. We acknowledge this, and use this only for general informational purposes. Its close relationship to Portland metro and national data suggests that it may not be far from reality, but we cannot say with any certainty that it is an entirely accurate representation, and these numbers should be treated with caution.

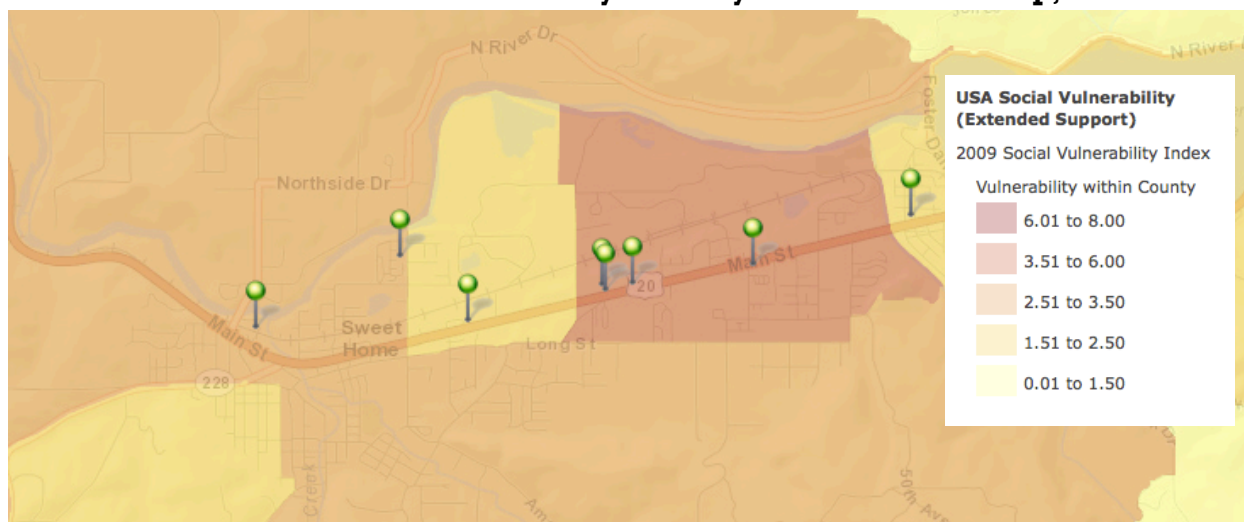
for vacationers and retirees to the area's natural beauty.

Mfd. Home Parks and Median Household Income by Census Block Group, 2012



The next map displays Sweet Home's social vulnerability index, relative to Linn County. Four of the parks fall into the second highest risk range, with a score of 4.00. Mobile home prevalence is one of the eight components that make up this vulnerability score, along with age and gender demographics and other housing statistics. The purpose of the vulnerability index is to assess, relative to the county, how greatly at risk an area is in terms of its ability to cope with natural disasters. While natural disasters are not extremely prevalent in the area, the social risk factors that make up this scale also speak to other kinds of vulnerabilities, such as unemployment and female-headed households; vulnerabilities that may exacerbate families' abilities to access fair, affordable, and safe housing, or to maintain the housing they have.

Mfd. Home Parks and Social Vulnerability Index by Census Block Group, 2012



By all statistical appearances, Sweet Home is heavily reliant on its manufactured housing—perhaps partly attributed to its economic status—and further explorations of its livability for the future should take this important component of the housing market (and the lives of its citizens) into account. This focus may extend not only to dealing with existing housing

conditions, but also to future considerations—as Sweet Home seeks out ways to maintain affordable housing for its residents in the future, developing eco-friendly, energy efficient, compact affordable housing will be a priority, and new manufactured housing stock may have the potential to meet that need.

Utilizing the BCD data, Sweet Home’s housing stock is older than the rest of the county’s, with a median year of construction of 1981. Approximately 64% is personal property—though, again, that is one of the most suspect of all the numbers; the ACS data would suggest a much higher percentage. Approximately 78.5% is owned outright, without any kind of loan remaining on the property—a high percentage.

An interview was conducted with Craig Martin, city manager of Sweet Home, to further discuss the status of manufactured housing in this small town, its conditions, and where he saw the greatest need. Martin estimated that, based upon exterior observations alone, approximately one-half of the current manufactured housing stock in Sweet Home is in some need of repair, and that this number was much higher in certain areas. He felt that the greater need for targeted repair or replacement programs would be in the parks, although not every home would be worth repairing. While some parks, such as Sherwood Gardens, primarily contain homes from the 1980s and beyond and are in better repair, others, such as South Fork, contain homes primarily from the 1970s or earlier, are completely out of code compliance, and potentially every home within is in need of repair. When asked about community stigma, he answered affirmatively that it certainly existed, and was especially tied to two parks—South Fork (bearing the locally-given nickname of “Slum Fork”) and Four Villas. While he did not believe there to be any stigma-based bias in current city code, *per se*, he noted that it does become a factor in public policy or political discussions, and presents itself in many institutions in town.³ There are also some aspects of city code that present obstacles specific to manufactured homes moving in, such as a minimum square footage rule, a requirement that a home must have a carport or garage, and a required enclosed base. (These rules do not apply to already-existing homes, however.)

While Martin was unsure if more residents own or rent their manufactured home, he estimated that most park residents rent, especially in the older, less desirable parks with the greater issues. When asked if he thought that these older units may die out in the future, he disagreed—individuals and families will stay there as long as possible, no matter how substandard the housing, because other options do not exist for many of them; a sentiment also expressed by some of the contractors we interviewed. This speaks to the urgency of one of the primary goals of the livability initiative: fulfilling the need for quality, affordable housing. This is not just a local trend. Nationally, older units in subpar condition are more likely to be rented than newer ones, signifying an option of last resort for those of lower economic means. In 2002, it was estimated that 95% of homes built in the previous decade were owner-occupied, but only 73% of those built prior to the 1976 HUD codes were. In

³ Sweet Home’s residential codes are in city code chapters 17.24 and 17.28, and are available online. Martin welcomed feedback on any bias that may have worked its way into city code.

places like Sweet Home, this percentage may be even lower. This not only subjects lower-income families to substandard housing, but also to many of the social effects of stigmatization. (MacTavish's 2007 ethnographic study of mobile home park culture in a small rural town in Oregon explores the effects of this stigmatization on children in particular, as well as the de facto segregation that occurs when such substandard housing exists, recognizing the need for housing solutions that combat both physical and social hazards while still retaining affordability for lower-income individuals and families.)

The parks are primarily owned by western Oregon-based management with local representation now; however, problems still exist. Park owners bring in or allow substandard housing to continue without repair and are still able to rent for a high price relative to the quality of the product being offered, as it still remains cheaper than what is available elsewhere, essentially locking in families to these hazardous conditions. (One can certainly surmise, looking forward to potential housing price increases in the near future, that this problem will get much worse.)

While discussing the livability initiative, he concurred that manufactured housing could certainly become part of the solution, if it could be painted in opposition to the current "burn it to the ground" attitude of many toward the substandard parks in existence. Modern, code-compliant, quality units would receive less pushback, although negative attitudes toward affordable housing in general—including high-quality endeavors, such as WNHS' existing units—do exist. Martin remarked that he would like to have photos side-by-side in his office of Ames Creek (a current WNHS development) and some of the substandard units in town, such as those within the older parks, to show concerned residents and combat NIMBY-ist ("not in my backyard") sentiments—"you can have it that way, or you can have it this way." It is unfortunate, he remarked, that some citizens will focus on their own backyard and certain perceptions, and not on their neighbors who have to live in these hazardous conditions.

As discussed in the literature review, manufactured housing communities have the potential to offer low-cost housing while serving as hubs for social services, community, and recreation, and this extends beyond seniors. A managed park community may add benefits beyond safe, affordable housing to its residents—and these benefits may even extend beyond the walls of the community. Martin theorized that, much like WNHS' current properties, local citizens may be more amenable to additional affordable housing efforts if quality internal management could be observed (essentially, that there is a "higher power" to call upon when there are problems) than if new housing were to be left in the hands of tenants alone. Tremoulet, in his article on NORCs, spoke of building on existing assets and capacity; there may be substantial community organizing opportunities in existence within these parks already that could be drawn upon to revitalize a neighborhood. In fact, Martin also noted that there are currently only two active homeowners' associations in Sweet Home, and one of these is within Sherwood Gardens—the 1980s-era park. A positive community is not tied to whether the housing is manufactured or site-built, but creating healthy physical conditions with strong management and the added bonus of social service offerings could

create a strong, healthy, well-maintained community that both benefits the residents and allays the fears of the NIMBY-ist neighbors. (It seemed to be Martin's opinion, as well as this author's, that these sentiments are not necessarily elements worthy of strong consideration for their own sake, but they are a local cultural reality that can present impediments to change, particularly in a small town, and should be considered.)

It is notable that, unlike Corvallis (where WNHS headquarters are located), Sweet Home has no livability code—there are no inspections for smoke detectors, habitable conditions, or other such elements. This has both exacerbates the problem of substandard housing, as well as creates concern for some parts of the community when discussing creating new affordable housing—for example, if a park is entirely replaced with new homes, what happens to those homes in the long run? Can residents destroy them?⁴ Whom do I call if I have a problem? The potential for creating managed facilities may prove to be a useful political “pressure point”—new affordable housing developments may be more palatable if it comes as a package deal, which supports the idea of total park buyouts and presents interesting additional factors for WNHS to consider, such as community organizing and targeted social service efforts, as well as traditional management.

Conditions in Linn County

The interview with Craig Martin provided an excellent on the ground perspective of conditions and culture in one small Linn County town; in the absence of county-level data to ascertain conditions, interviews were also held with a number of local manufactured home contractors to ascertain common problems in manufactured homes within the entire county, their general costs, and the ability of homeowners to pay those costs. Contractors who specialized in all aspects of manufactured homes and whose service areas included Linn County were identified, and three of them agreed to telephone interviews. One of the contractors works with the USDA on home rehabilitation projects; the other two work primarily for manufactured home companies doing warranty repairs, but also had experience with other mobile homes as well.

The most common issues cited were polybutylene plumbing in older homes, roof rust and leakage, deck/porch and skirting problems, and window/siding issues (which included dry rot around windows and doors, windows placed over the siding, and siding recalls for poor quality). Other issues mentioned included electrical (older homes used aluminum wiring), drywall, trim, and cracks as the homes “settled” over time. The two contractors who now work primarily with newer homes noted that homes from the 1990s onward were of much higher quality, with significant warranties, and that the newest homes being built are comparable, if not even better, than site-built homes in quality. All three agreed that older homes had massive issues, especially considering their extremely low value, and may not be even worth repairing depending upon the extent of the damages. For example, by one contractor's estimate, replacing the plumbing on an older single-wide would run between \$3,000 and \$3,500, and replacing the metal roof would cost approximately \$3,000—whereas

⁴ These were also concerns raised with WNHS' recent community land trust project.

the total value of the homes that present most frequently with these issues may only be worth \$3,000 to \$6,000. Fixing dry rot would cost between \$300 and \$1,000, but that is still a significant financial investment, especially relative to the home's value; other siding issues may cost significantly more. The wet weather of the Willamette Valley region was also mentioned as a complicating factor in the upkeep and maintenance of homes. It is difficult to even work on older units, regardless of cost, one contractor noted, as so much of the material is now obsolete and requires complete remodeling. In fact, as the USDA rehabilitation contractor noted, one can sometimes even purchase an entirely new home for less expense than fixing the older one—a common problem in the demographics he sees, and something to consider as WNHS weighs the costs and benefits of repair versus replacement. The contractor subsequently recommended a repair/replace evaluation for every home under consideration, and also advised us as to the possibility of a surplus of repossessed homes that could be currently purchased at discounted prices for replacement purposes, where repairs were unsupportable.

The USDA contractor estimated that the average Linn County manufactured home he encountered was built in the late 1980s to early 1990s, but that a full 20% of the homes he saw were constructed before the 1976 HUD guidelines. He estimated that 40% of those he worked with could not afford vital repairs for their homes, and about 10% of the homes were not worth repairing whatsoever. (However, as a major portion of his current business is working in rehabilitation with the USDA, these numbers are most likely skewed a little higher than average; he has, however, been in business for nearly 30 years.) He also noticed a distinct difference between homes in parks and homes on privately-owned land—that those in parks were often unable to afford and keep up with the same level of maintenance as those who were able to have equity in their homes (and who are also eligible for more assistance programs); a statement that concurs closely with Craig Martin's observations of Sweet Home. Some of the homes he had encountered in parks were considered too great of a health hazard to even attempt to repair. However, many individuals continue to live in these environments in severe need of repair—as Martin also noted—for lack of ability to move elsewhere, due to limited financial means; a health crisis, in and of itself. Older residents on fixed incomes were noted as one population with particular difficulties in being able to keep up with necessary maintenance and afford repairs; however, the same contractor noted that he saw a rising future for manufactured homes with baby boomers reaching retirement—an idea explored earlier in this report. Exploitation as an issue was also mentioned, as those who are unable to repair their homes or, in the case of rising park rents, afford their current site are often forced to abandon their home, to be reclaimed by the park or a corporation with ownership interest for free.

Another issue is expertise. The USDA contractor emphasized that only certified MDI (manufactured dwelling installers) should be allowed to conduct repairs—too many inadequate or unsafe repairs happen when those not well-versed in manufactured homes' unique construction attempt repairs, exacerbating the problem. This is an additional caution for WNHS to take particular note of if pursuing a repair-oriented program.

Reviewing the information provided by these contractors, as well as what is known about Linn County and manufactured homes in Portland and nationwide, it is easy to surmise that older homes do not age well, and that a successful program may have to consider a balance of rehabilitation and replacement offerings. The homes in Linn County do skew older than those nationwide, and significant financial barriers may exist for many homeowners to keep their homes in good repair. The types of repairs needed are often complicated by the damp conditions of the Willamette Valley and by substandard construction standards of the past. However, despite these concerns, newer homes, as safer structures of greater quality, are certainly worth the effort to keep in good repair, and still present an affordable housing solution in an area of great need, despite the many potential complications. There is room for hope in what has been said here, even as the task of addressing current manufactured housing seems daunting. Future endeavors with newer homes may very well provide an excellent solution; however, existing situations and conditions must also be addressed, and this may be a monumental task in some areas.

Other programs

Curry County Housing Stock Upgrade Initiative

WNHS is not the first organization to consider special programs for manufactured homes in Oregon. Curry County's Housing Stock Upgrade Initiative (HSUI) began as a collaboration between the county, Neighborworks Umpqua, and a variety of other interested organizations and individuals in early 2013. Beginning in 2014, they hope to replace 25 manufactured homes with completely new units. Due to the coastal environment, the new homes are built to particularly high specifications—perhaps higher than would be required in the Willamette Valley, suggested Karan Reed of Neighborworks Umpqua, in a September 2013 interview, but a consideration nonetheless, given weather conditions and some of the more traditional problems of manufactured homes.

Due to the legal and financial complexities of parks, only homes on private property are considered for this program. Don Miner, executive director of OMHA, was part of the workgroup that created the HSUI—the third attempt at developing such a program, and the first to be successfully created. Miner stated that they could not determine a way to make the program work for homes in parks, as long as public funding was involved—the risk of default, particularly with rent raises and homeowners being forced to abandon units, was too high, and parks were deemed a “dead end” for such efforts.

The new homes will be financed by rural development loans; while the initiative is attempting to seek grants to reduce the loan costs for new purchases to individual families, this has not yet been accomplished, per the interview with Reed. An additional cost for which they hope to obtain grants is the deconstruction of existing units—an element that must be considered in any replacement program to be environmentally and socially responsible. This topic was also brought up by Minder; disposal costs are a major consideration—homes used to be crushed and added to landfills, but now environmental and health hazards (such as asbestos) make that irresponsible. However, recycling options

can incur tremendous expense. Miner noted that this could present an opportunity for an entirely new nonprofit branch in Curry County; however, it would be difficult to reach an economy of scale (although it may be possible in Linn County; other places in the U.S. have successfully accomplished this).

They are also undertaking some rehabilitation loan efforts via CDBG funds. However, this only works if the structure itself still has value; otherwise, the risk of default for these loans is too high, stated Reed. Thus, they are also requesting additional CDBG funds for grants. These cannot be restricted to manufactured homes, per se, but to any lower value home in need of repair. They have also applied for HPG533 rural development funds for emergency repair grants, but these cannot be done in parks, either. Neighborworks Umpqua has also successfully bolstered their rehabilitation efforts via partnerships with other local organizations to help offset the cost of those homes they do intend to repair.

A major goal of the program is to make it financially feasible for current homeowners—a very real concern, given the general demographics and conditions of current housing. They intend to offer homebuyer counseling to help families determine what they can afford in a replacement home—a service WNHS currently offers as well.

Miner cautioned that Curry County's standards may still prove to be too high for some—that families caught in these conditions would not typically be able to afford a replacement home. He suggested alternative approaches, such as focusing on energy efficiency, that may improve families' quality of life at an affordable price. Essentially, the crux of such a program is finding ways to help low-income individuals living in terrible conditions, and a tradeoff exists between cost and quality. In HSUI's case, he fears they may have aimed too high—but it remains to be seen as the program rolls out next year. While he concurs that it does not make sense to rehabilitate an older trailer with significant problems, he worried about individuals' abilities to take on new mortgages—even more affordable ones—given the general demographics of those living in these conditions. As mentioned, per the interview with Reed, HSUI hopes to secure grants to help offset the costs of these loans, and are still pursuing repair-only opportunities as well. Financial feasibility is a major goal of the initiative—however, some still raise concerns.

However, Miner ended on a hopeful note—while financing will be the greatest challenge, throughout his tenure in the manufactured housing world, he did not believe that anyone in the state of Oregon had given these types of programs as much thought as Curry County, and it is the first such attempt in the area to make it past the planning stage (and has also been designated as an Oregon Solution project). As 2014 unfolds, it will be interesting to see how the details of this program play out, and WNHS would do well to remain in contact with their fellow Neighborworks organization in Curry County. A parting piece of advice from Reed: keep the program quiet until you are ready to begin rolling it out!

King County Mobile Home Grant Program

King County, Washington's Mobile Home Grant Program administers repair grants specific

to manufactured homes *not* resting on owned property, of up to \$8,000. Eligible homeowners must own and live in the home, not own the land beneath the home, and meet certain income and asset criteria (which excludes the value of the home, and also allows those with either long-term disabilities or who are age 55 and over to be mostly exempt from this requirement).

USDA Rural Development Loans & Grants

The USDA administers a rural loan and grant program for low-income homeowners for repairs, modernization, and the removal of health and safety hazards. Homeowners must be unable to obtain affordable credit elsewhere and make less than 50% of local AMI. Grants are available to those age 62 and older; loans are for those under this age cutoff, or for seniors who are able to repay Section 504 loans. Loans are available up to \$20,000 for a 20-year, 1% term, but require a real property mortgage. Grants are up to \$7,500, and must be used for the direct removal of health and safety hazards. The two funding sources can be combined. (Grants may be “recaptured” by USDA if the home is sold in less than 3 years; otherwise, no repayment is necessary.) Homes do not need to meet all code requirements (that would defeat the purpose), but water and waste systems must meet local health department requirements while under good repair. One does not need to be able to repair every hazard within the home to be eligible, but must be able to fix those deemed major (e.g., one may not receive a grant to fix the plumbing while the home has no adequate roof).

Conclusion

This report has attempted to present a brief, yet comprehensive examination of manufactured housing in America, particularly in Linn County, Oregon, in the interest of furthering Willamette Neighborhood Housing Services’ exploration into the creation of a local targeted repair and/or replacement program. As a subsection of this report, we also explored Sweet Home, Oregon as an area of special interest, given WNHS’ coming participation in its livability initiative as it plans for future needs, including affordable housing. In summary, we have found that manufactured housing is, in fact, fraught with legal and financial difficulties, as well as a tendency toward hazardous physical conditions in older units. Yet it is also an eco-friendly, affordable, and even quality solution when utilizing newer models, and presents many viable options for lower-income families, seniors, and other populations in special need of affordable, quality homes. Financing and the distinction between real and personal property is one of the greatest hurdles facing those who want to live in or promote manufactured housing, but this is not always insurmountable, as some of the alternative programs listed have shown. While continued change in the financial world is essential to making this a widespread solution, there are ways in which these homes can be financed in the interim, and nonprofit institutions should not be afraid to deal with this type of housing, both present and future. Its current popularity as a low-income housing option, its health implications, and, for those organizations located in places like Oregon, its rural prevalence present major motivating factors to address this population specifically, while its potential for future development presents major opportunity.

In addition to the financial, physical condition considerations are extensive, particularly when dealing with older homes; older manufactured units, to a much greater extent than site-built units, tend to have repair needs that outstrip the financial value of the home itself (a function of both poor construction and the precarious financial situation of continual depreciation), and given the median age of homes in WNHS' target area, a combination repair and replacement program may thus be advisable. However, in the continued quest for affordable housing, manufactured housing has much to offer, with lower production costs, greater "green" potential, continual cost-savings for residents, many of the perks of traditional homeownership, and social and community benefits, among others.

Finally, arriving at community, the issues presented by Sweet Home put forward an additional consideration beyond simple repair/replacement for WNHS—long-term park management, community organizing, and integrated social services, such as may currently be provided in apartment complexes and other such dwellings. These factors, in addition to producing quality affordable housing, may present a strong, viable livability solution as Sweet Home continues to grow and change due to its public land proximity and gateway status, as well as provide a way to overcome the local stigma that has grown around substandard housing in impoverished areas.

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Interviews

Interviews and/or requests for information were gathered from the following individuals:

- Amy Arnason, Manufactured Homes, Linn County Assessor's Office
- Richard Baumann, Policy Analyst, Building Codes Division (state of Oregon)
- Natasha Detweiler, Research & Analysis, Oregon Housing and Community Services (state of Oregon)
- Dale Hall, Dale's Mobile Home Service
- Coleen Hanson, Manufactured Structures Ownership Documents Program Coordinator, Building Codes Division (state of Oregon)
- Todd Johnson, self-employed general contractor
- Craig Martin, city manager, Sweet Home, Oregon
 - *Martin expressed willingness to aid any on-the-ground research we wished to conduct.*
- Don Miner, executive director, Oregon Manufactured Housing Association
- Karan Reed, Director of Housing, NeighborWorks Umpqua
 - *Reed was very helpful, and it would be highly advisable for WNHS to stay in contact with her as the Curry County program rolls out in 2014. She also may be able to provide us with a copy of Curry County's health report that sparked this program (at the time of this report, it was not feasible to obtain it, but she promised to look into it for the future).*
- Monty Taylor, Recreational Vehicle and Parks Inspector, Building Codes Division (state of Oregon)
 - *Taylor also pointed us toward the CCB, which oversees licensed contractors, as a future source of information.*
- Don and Karen Zerkel, Kardon Construction and USDA rehabilitation contractor
 - *The Zerkels were extremely helpful, and were also willing to offer additional resources and information if desired.*

APPENDICES

Benton County

While Benton County, outside of LCHRP (Linn County Housing Rehabilitation Partnership) purview, is not the specific target area being considered, it does deserve mention as the official home of WNHS' main offices and a potential area for expansion of these services in the future.

In Benton County, there are 16 manufactured home parks with 1,217 spaces, per the OHCS directory (OHCS 2013d). The Benton County tax assessor counted 452 real property and 1,489 personal property homes in 2012-2013—as with Linn County, the real property structures were not counted in this total:

Type of property	Number of units	Total assessed value	Average assessed value
Real property without land	452 units	\$8,095,586	\$17,911
Personal property without land	1,489 units	\$28,258,293	\$18,978

Source: <http://www.co.benton.or.us/assess/documents/2012table-7a.pdf>

The Benton County housing profile counted 2,503 homes total, including real property with land (OHCS 2013a). With 1,217 homes in parks, we find that 48.6% of homes are in parks—a nearly-even split, as is Linn County. Approximately 59.5% of homes are personal property, and the rest are either converted real property or real property on owned land. (Note that this percentage is lower than Linn County's by approximately 10 percentage points, potentially reflecting a more favorable climate for manufactured homes or higher socioeconomic status within this county.)

As of the 2010 census, the total population of Benton County was 85,579, with 34,317 distinct households. The largest minority population is Hispanic/Latino, at 6.4%, closely followed by the Asian population at 5.2%. The median age is 32.1, with 12% of the population over the age of 65; the average household size is 2.35. Female-headed households are 7.3% of the population, with over half having children under the age of 18 in residence. 55.9% of housing units are owner-occupied (Census 2012).

From household sizes and the housing statistics, we can surmise that approximately 7.3% of households live in manufactured housing—quite different from Linn County, and especially Sweet Home. That, along with the proportion of personal property to real property, symbolizes that there is quite likely far less of a need in Benton County than in Linn—however, without information as to condition, age, or owner, this cannot be said definitively, and there may certainly be room to further explore Benton County's prospects in the future.

Tools and resources

American Housing Survey.

<http://www.census.gov/housing/ahs/>

National and metro area housing statistics.

ArcGIS: mapping software.

<http://www.arcgis.com/home/webmap/viewer.html?useExisting=1>

Use to create maps including demographic data, landmarks, etc.

LOIS Database: Building Codes Division Manufactured Housing Search.

<http://www4.cbs.state.or.us/ex/bcd/lois/index.cfm?fuseaction=search.start>

Searches all registered manufactured homes in the state of Oregon. Limitations: only up to 200 records at a time; homes not registered unless ownership transferred since 2005.

Manufactured Communities Resource Center (MCRC), under Oregon Housing and Community Services.

http://www.oregon.gov/ohcs/Pages/MDP_Manufactured_Dwelling_Park_Services_Oregon.aspx

Aids parks and residents in dispute resolution, advises both tenants and landlords as to their respective rights, and provides a directory of all parks in the state of Oregon.

Manufactured Dwelling Park/Mobile Home Park Living Resources.

http://www.oregon.gov/ohcs/Pages/MDP_Manufactured_Dwelling_Park_Living_Resources.aspx

Overview of property rights laws, landlord/tenants associations, and other resources for manufactured homeowners.

Manufactured Housing Institute.

<http://www.manufacturedhousing.org/default.asp>

Industry-specific information, including statistics, legislative concerns, advocacy, and more.

Next Step: Affordable Housing Done Right.

<http://www.nextstepus.org>

Produces energy-efficient, quality manufactured homes for nonprofits interested in promoting sustainable homeownership via this housing model.

Community Frameworks.

<http://communityframeworks.org/ws-main/manufacturedhousing.php>

Next Step-partnered Northwest organization providing manufactured housing directly to nonprofits.

Oregon 2010: Summary Population and Housing Characteristics. 2010 Census of Population and Housing. Issued December 2012.

<http://www.census.gov/prod/cen2010/cph-1-39.pdf>

Census data, by county and town, covering demographics and household information.

Oregon Building Code Division: Your manufactured structure—important information about owning a manufactured home.

<http://www.bcd.oregon.gov/pdf/2981.pdf>

Brief overview of legal and financial regulations for manufactured homeowners.

Oregon Manufactured Housing Association.

<http://www.omha.com/>

Includes information on financing, manufacturers, retailers, communities, property codes, and more.

Further reading

While not always immediately relevant to the central focus of this report, the following Oregon scholars have contributed greatly to ongoing research on manufactured housing, and their publications are worthy of further perusal.

Katharine MacTavish, Oregon State University—manufactured parks and social inequality, Oregon case studies

Andree Tremoulet, Portland State University—manufactured park closures, manufactured parks and elderly residents, Oregon case studies

IV. MODEL COMMUNITY DEVELOPMENT STRATEGIES

Difficult questions persist: What should be done about this housing stock? How can we protect the occupants? How can the cost advantages of manufactured units be used to achieve goals for affordable housing? What role can a community-based organization play?

This section draws on the experiences of five organizations that have begun efforts to address these issues:

- Better Housing for Tompkins County, Ithaca, New York;
- North Country Affordable Housing, Watertown, New York;
- Colorado Rural Housing Development Corporation, Westminster, Colorado;
- New Hampshire Community Loan Fund, Concord New Hampshire; and
- HomeSight, Seattle, Washington.

While these programs are small in scale, they demonstrate that it is possible to tap into federal and local funding sources for the replacement, rehabilitation and development of manufactured units. Innovative programs have traded in dilapidated mobile homes and trailers for more modern manufactured or modular units, and others have attempted to maximize the scrap value of aging units.

Replacement of Aging Manufactured Units

Better Housing for Tompkins County

In 1999 the town of Enfield, New York, received a \$400,000 Community Development Block Grant (CDBG) to replace 18 dilapidated and insufficiently winterized mobile homes with units built since 1993. Better Housing for Tompkins County was contracted to administer the project.

To be eligible participants must own the land on which the new home will be placed, and earn less than 80 percent of area median income.⁸ Once selected, participants must attend a prepurchase workshop offered by Better Housing. The land serves as the down payment; in addition, households can receive CDBG funds of up to \$25,000 toward the purchase of their new unit, in the form of a second mortgage that is forgiven over a 10-year period.

As of January 2002, only two families had completed the program and moved into new modular homes. The program has had difficulty recruiting eligible participants. Stacey Crawford, Better Housing's executive director, explained that many potential participants are wary of assuming debt, while others face issues related to their income, credit history or property title. Some members of the community feel that the program, with its emphasis on replacement, is critical of their housing choice. In an effort to combat this perception, Better Housing has begun to promote manufactured housing as a replacement option.

North Country Affordable Housing

When 1990 Census data revealed that manufactured homes comprise 15 percent of the housing stock in rural Jefferson County, New York, North Country Affordable Housing conducted a survey which indicated that 83 percent of all homes built in the area in the last 11 years required some level of maintenance and repairs. In response North Country began to replace the oldest mobile homes with new modular or site-built homes in order to eliminate substandard housing. Program participants must live in Jefferson, Lewis or St. Lawrence county and earn 80 percent or less of area median income.⁹ They must own their homes and the land on which the new units will be sited. A program priority is to replace units destroyed by fire. Potential participants must attend approved home-ownership training programs.

Participants are eligible for grants provided by the State of New York Affordable Housing Corporation and federal HOME funds of up to \$20,000, subject to a recapture formula that is forgiven over a 10-year period. Average development costs, net of land, are \$62,826 per home, more expensive than HUD-code units, but still cost-effective. Many participants contribute their own sweat equity to further lower costs, and the remainder is financed by local lenders and Rural Development RHS mortgages.

Since the program began five years ago, North Country has completed 55 units, with only one foreclosure. There is currently a waiting list of approximately 50 families interested in participating. However, Barbara Willis, North Country's executive director, estimates

⁸ Tompkins County's estimated AMI in 2002 is \$53,300. Data available at www.efanniemae.com.

⁹ Estimated area median income in 2002 in Jefferson County is \$39,400; Lewis County AMI is \$38,900; and St. Lawrence AMI is \$40,300. Data available at www.efanniemae.com.

that only about one in four applicants successfully completes the process. Poor credit history, fear over assuming debt, and the length of the process are all common deterrents. Some participants lose patience with a process that can take up to a year when a new manufactured home could be purchased immediately. Program staff and outside contractors who really understand the program and are willing to work with the families individually are important since each situation is different.

Like Better Housing, North Country has designed its program with a preference for site-built, or in some cases modular factory-built units, over HUD-code units. This is a common approach among community-development practitioners—in some cases based on careful analysis, in others based simply on personal biases and perceptions.

Rehabilitation of Aging Manufactured Units

Colorado Rural Housing Development Corporation

In the late 1980s, Exxon Corporation abandoned an oil shale exploration in western Colorado, leaving behind a stock of empty mobile homes. Colorado Rural Housing Development Corporation saw this as an opportunity to rehabilitate the abandoned homes and provide low-cost housing for families elsewhere in the state.

The first phase of the project transported 12 single-section manufactured homes 150 miles to several scattered lots that were zoned to allow their placement. Once placed, new windows, drywall and insulation were installed, and rooms and garages were added to several of the units. The wheels were removed and CRHDC met with the county recorder's office to purge all the titles and convert the homes to real estate. Most of the program participants were renters, often living with other family members, and had incomes less than 60 percent of area median income. Once they were prequalified, they were placed into groups of six families. Each group worked together on the reconstruction of the homes, adding a sweat-equity component that further lowered total costs. Participants received

training in construction techniques as well as extensive home-ownership education.

Phase two of the project relocated 12 multisection manufactured home units to a single site. The multisection units required less rehabilitation than the single-sections and cost about \$40,000 per unit, including land.

A typical unit cost was about \$34,000, and the sweat equity for each unit was valued at \$10,000. The Office of Community Services of the U.S. Department of Health and Human Services and the Colorado Housing Finance Authority financed the project. Grants covered about 50 percent of the costs, while CHFA provided low-interest loans to finance the remainder. The grant contains a 20-year recapture provision. All the units have held up well and have appreciated in value; some residents have refinanced their homes or made additional improvements.

While this program was quite successful, a ready supply of vacant homes is a rare occurrence. Al Gold, CRHDC's executive director, reports that it was difficult to find developable land that was zoned for manufactured homes, given the bias that exists against these units.

Cooperative Park Ownership

Nearly three million families live in manufactured homes sited in "land-lease communities," more often called trailer parks or rental communities, where they pay a monthly ground rent to a landlord in addition to their loan payment for the unit.¹⁰ The park owner typically provides sewerage, water, electrical systems and landscaping, and maintains the roads and other common areas.

Landlord quality is uneven in any rental housing market, but especially in manufactured housing. Tales of frequent rent increases, little or no infrastructure maintenance and excessive rules governing what tenants can and cannot do are common. Moreover, it is difficult and expensive to move a manufactured home (typically costing \$1,500 to \$5,000), essentially tying

¹⁰ Homes placed in rented parks are financed as personal property because conventional single-family mortgage programs require that the land and property be bundled together to qualify. Conventional single-family mortgages also require that a home be placed on a permanent foundation; however, owners of manufactured housing cannot always afford the higher costs of a permanent foundation.

low-income and low-wealth occupants to a site. Current legislation governing rental park arrangements in some states is weak, giving tenants little recourse in the event of a park sale that will lead to eviction.

In Athens, Georgia, construction has begun on an apartment complex located on the former site of Garden Springs mobile-home park. Garden Springs was home to about a hundred predominately Hispanic families, who were notified in June 2001 that the park had been sold to a developer and that they would have to relocate within 30 days. Many residents could not afford the cost of relocation, and others were prohibited from moving by a local ordinance that forbids relocation of trailers built prior to 1977 (Gallentine 2002). Local church groups and other volunteers rallied to help the families find new housing, and plans are still underway to develop another mobile-home park. The Athens case, which is in no way exceptional, highlights the vulnerability of residents in parks, where tenure is insecure.

In some cases, park tenants have collectively purchased their community as a cooperative. These resident-owned communities allow residents to have control of their community, acquire long-term site commitments, and transform their homes into real assets. Several states have laws providing residents the right of first refusal when leased-land communities are placed on the market.¹¹ Currently, New Hampshire has 55 cooperatively-owned manufactured-housing parks, California has over 100, and Florida has nearly 500. The state of Vermont has directly acquired parks, through the Vermont State Housing Authority (Bradley 2000). Despite the challenges of management and finance, the benefits of this ownership structure are significant.

The New Hampshire Community Loan Fund

In the movement to convert parks to cooperative ownership, the New Hampshire Community Loan Fund (NHCLF) has demonstrated significant leadership. Established in 1983, NHCLF is a private, nonprofit organization dedicated to creating affordable housing and fostering economic opportunity for low- and moderate-income people. In 1984, NHCLF advanced \$42,000 to residents of a rental park in Meredith,

New Hampshire, to cooperatively purchase the park. Sixteen years later the Meredith Center Cooperative is not only still in existence but also debt-free. Building on the success of Meredith Center, NHCLF developed the Manufactured Housing Park Cooperative Program to provide technical assistance and management training to potential and current cooperative residents. The program has two objectives: to maximize resident control over mobile-home parks, and to provide membership for the entire community, regardless of income. The second objective is achieved by providing the benefits of membership to residents who pay a low down payment during the acquisition phase and pay the remainder of their membership share in monthly installments (Bradley 2000).

In 1988, NHCLF joined with the Mobile Homeowners and Tenants' Association and successfully lobbied for a law to give residents a 60-day right of first refusal to negotiate the purchase of their park in the event it is put up for sale. This important law changed the dynamic between residents and park owners. About 75 percent of the coops in New Hampshire (about 30 parks) have been acquired directly or indirectly under this law. It has also resulted in negotiated sales by owners who have called NHCLF directly once they decide to sell.

Cooperative ownership stabilizes ground rents and allows profits that once left the community to be directed toward infrastructure and other improvements. In addition, some coops have secured Community Development Block Grant or USDA Rural Development money to make important health, safety and infrastructure improvements. Cooperatively owned parks have kept rents lower than investor-owned parks (Bradley 2000). One co-op in Dover, New Hampshire, actually reduced rents by \$10 over the last 13 years, while also making major sewer and road improvements. Cooperative parks have also successfully elected their residents to town boards, thereby increasing their political clout and have regular meetings with the local officials to discuss park issues (Bradley 2000).

Cooperative ownership does present a challenge to those who organize them in terms of paying for

¹¹ The Washington state supreme court struck down a right-of-first-refusal law as interfering with the right to sell property. New Hampshire and other states have addressed this by utilizing a 60-day notice, wherein the seller has to negotiate in good faith with tenants. States could add protections for estate owners, such as exempting transfers between related entities, restricting the provision to arms-length sales, or trigger the right of refusal only in cases where the property will no longer be used for manufactured housing (a change in use).

ongoing leadership development and management support. Enforcing standards, sustaining member involvement and collecting land rent from neighbors and friends can place pressure on cooperative boards. Some cooperatives have found it worthwhile to contract with a management company. NHCLF helps residents to develop leadership skills and is currently publishing *How To Manage a Manufactured Housing Park Cooperative*, a 300-page guide.

Private banks were initially reluctant to finance manufactured-housing park conversions; however, after NHCLF and the New Hampshire Housing Finance Authority financed several deals, the banks became convinced that it could work. The Federal Home Loan Bank of Boston instituted a fixed-rate lending program with member banks for cooperative residents to purchase parks at loan-to-value ratios of 80 percent or less. Residents contribute what equity they can, typically enough to cover some closing costs, and NHCLF makes up the difference with a fixed-rate, subordinate down-payment loan. To date no New Hampshire coop has defaulted on a loan (Bradley).

Based on the demand for homes in cooperatively owned parks, Paul Bradley, vice president of NHCLF, believes reliable and affordable fixed-rate financing would create a market in which homes will increasingly appreciate.

Developing Affordable Housing with Manufactured Units

Very few nonprofit housing organizations are discussing manufactured-housing projects, let alone developing them. However, concerns over rising land and construction costs may lead some organizations to explore alternatives to their current development practices. HomeSight, a Seattle-based CDC, is an often-cited example of just such a case. Whether the circumstances that led to their decision to use manufactured housing will lead others to follow remains to be seen, but it may be an indication that attitudes are changing and that manufactured housing has wider applications than it once did. The efforts of HomeSight, the Manufactured Housing Institute's Urban Design Project, and NHCLF's Barrington

Project provide some insight into the challenges and opportunities of manufactured-housing development, particularly as it pertains to community development.

Noji Gardens

Noji Gardens is a 6.5-acre, 75-unit development of affordable-housing developed by HomeSight in south-east Seattle.¹² Between 1995 and 1999, both construction and land costs in Seattle skyrocketed, with construction costs going up at a rate of 1.0 to 1.5 percent *per month* over the entire period. Typical single-family lots, which had been priced at under \$10,000 in 1995, rose to around \$65,000 by 1999. HomeSight lowered its costs in a variety of ways; however, nearly every time costs were reduced, the intensifying market diminished the savings. Project economics made it increasingly hard for HomeSight to serve its target market, families earning 60 to 70 percent of area median income.¹³

HomeSight had some experience with manufactured housing through collaboration with the Snohomish County Housing Authority, in which the authority developed a manufactured-housing subdivision while HomeSight marketed the units and provided home-buyer education. Following this project, HomeSight's executive director, Dorothy Lengyel, began discussions with HUD and attended a Manufactured Housing Institute conference which discussed using manufactured housing in urban areas as a way to minimize costs.

The Manufactured Housing Institute provided technical assistance to HomeSight, and put it in touch with Schult Homes, a large manufacturer with a Marlette Homes plant in Oregon. Schult created two-story manufactured housing through an inclusionary process with HomeSight. Noji Gardens managed to avoid some of the stereotypes associated with manufactured housing because the homes look like typical, site-built Seattle homes. Most passersby do not even realize they are manufactured homes. Throughout the process, HomeSight collaborated with the city and community groups, involving them in the process to dispel fears regarding the boxy aesthetic of manufactured housing and to demonstrate the potential of two-story, modern homes. On-site finishing provided ample work for local contractors, minimizing complaints about housing produced outside Seattle.

¹² Fifty-one of the units are manufactured, while the remainder are stick-built.

¹³ Area median income for a family in the Seattle MSA in 2001 was \$72,200.

Flexibility on issues such as property taxes and property titles were key to the project's success. HomeSight worked closely with the city to amend its property tax abatement program to include the single-family homes at Noji Gardens, which they estimate will save buyers about \$15,000 to \$25,000 over a period of 10 years. Good relations with all the project partners and the community were critical to the success of the project.

HomeSight used a block grant float loan of \$1.2 million at two percent from the city of Seattle, backed by a letter of credit, to secure the site. Infrastructure development was financed by a program-related investment of \$500,000 at two percent from the Fannie Mae Foundation. Local Initiatives Support Corporation, through its National Community Development Initiative, provided a construction loan of \$3 million at 5.8 percent interest.

HomeSight averaged savings of \$10,000 to \$15,000 per unit by using manufactured housing, and expects to save even more per unit in the future. For example, logistics planning was a challenge, but costs decreased as efficiencies increased. The first unit took about eight hours to set in place and cost about \$2,500 due to the expense of the crane rental. More recently three units were set in four hours, costing about \$600 per unit. The major sources of cost savings are labor, materials and the time of construction.

The median selling price for a single-family home in King County was \$264,000 in 2001. Home prices at Noji Gardens range from \$175,000 to \$255,000 depending on the lot size and number of bedrooms.

HomeSight speaks enthusiastically of its first manufactured-housing project, but admits the project was complex. In-house construction management and architects, as well as significant development experience, are prerequisites to tackling a project of this scale.

Barrington Project

The New Hampshire Community Loan Fund's Manufactured Housing Park Program is currently building an affordable home-ownership project of 45 to 47 sites in Barrington, New Hampshire. The development is to be the first manufactured-housing devel-

opment where all the homes receive the U.S. Environmental Protection Agency's Energy Star rating.¹⁴ HUD's Partnership for Advancing Technology Office is funding the architect, Steven Winters Associates, a leading green architect, and the Ford Foundation funded the predevelopment.

Homes will have a variety of innovative construction features, such as advanced septic systems that emit cleaner effluent than standard systems and allow for smaller leach beds that reduce disturbance to the natural landscape, and propane heat in all homes that will eliminate both the environmental hazard created by outside oil tanks and the extra charge for kerosene in the winter. Homes will also be sited to maximize passive solar gain in winter and natural cooling in summer.

The project will be a clustered development with single-family lots as small as 10,000 square feet, or about four homes per disturbed acre. The clustered development reduces land consumption and lowers the costs of community infrastructure. Other conservation features will include a 50-foot natural buffer zone around all wetlands, and wildlife corridors providing access to and from neighboring sites, including several large conservation tracts.

NHCLF hopes to demonstrate to land-use planners, consumers and others that manufactured housing can be a good choice for affordable home ownership in an attractive, safe and green-planned community. The homes will be financed conventionally and cost between \$75,000 and \$100,000—impressive in a market where the median sales price is in excess of \$235,000.

¹⁴ Energy-efficient new homes that earn the Energy Star label incorporate energy savings in design and construction and use 30 percent less energy for heating, cooling and water heating than standard homes (www.epa.gov/nrgystar/newsroom/newsroom_factsheet.htm).