

Changes in Manufactured Home Communities Impacting Sustainability and Affordability & The Role of Planners

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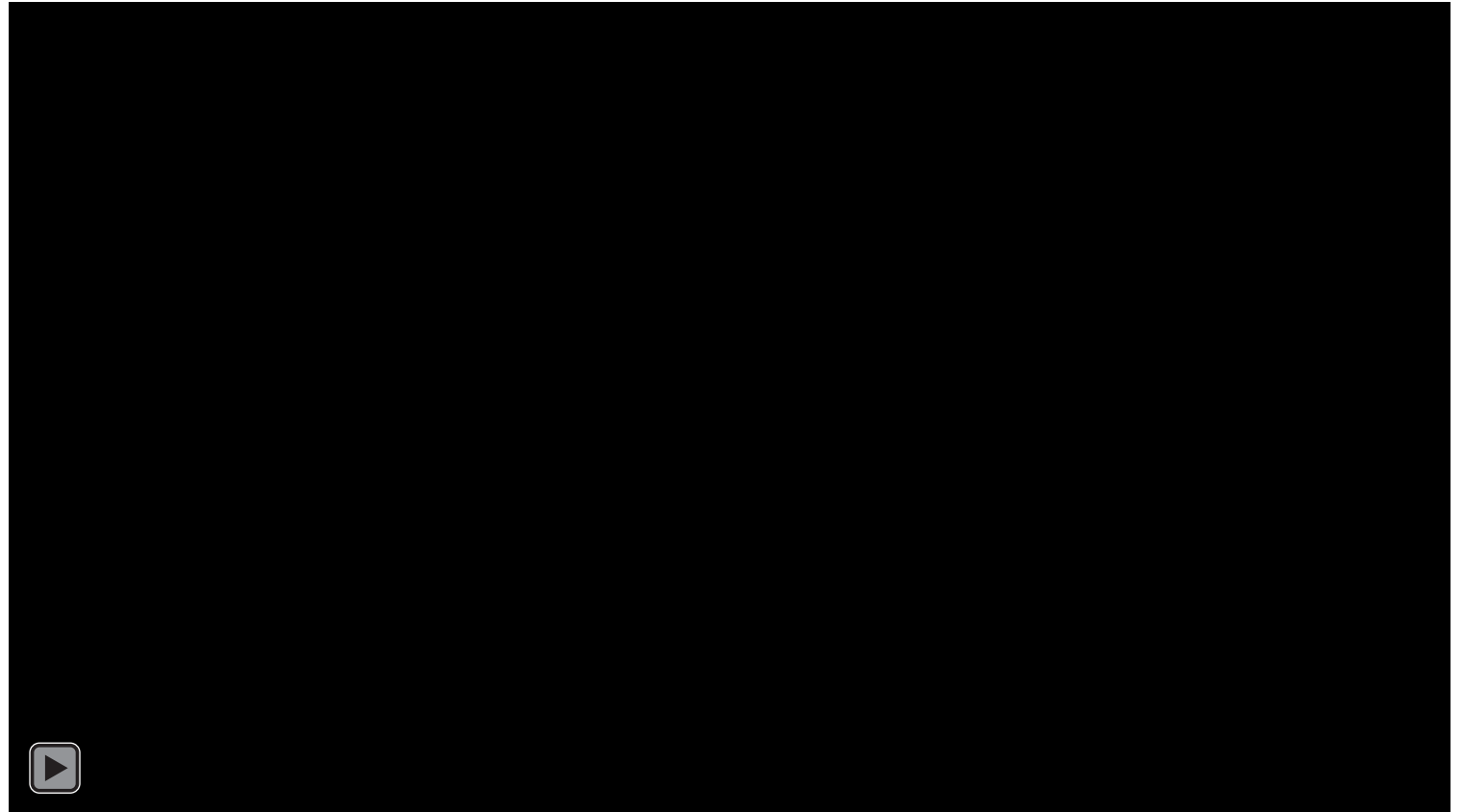
Scaling equitable resident
ownership in the U.S.

A community-based structural
solution that works.





2019: Noble Not Mobile Video Contest Winner



“This is My Home” by Robert Uth
Featuring Laurie Westendorf,
Morning Star Community, Kalispell, Montana

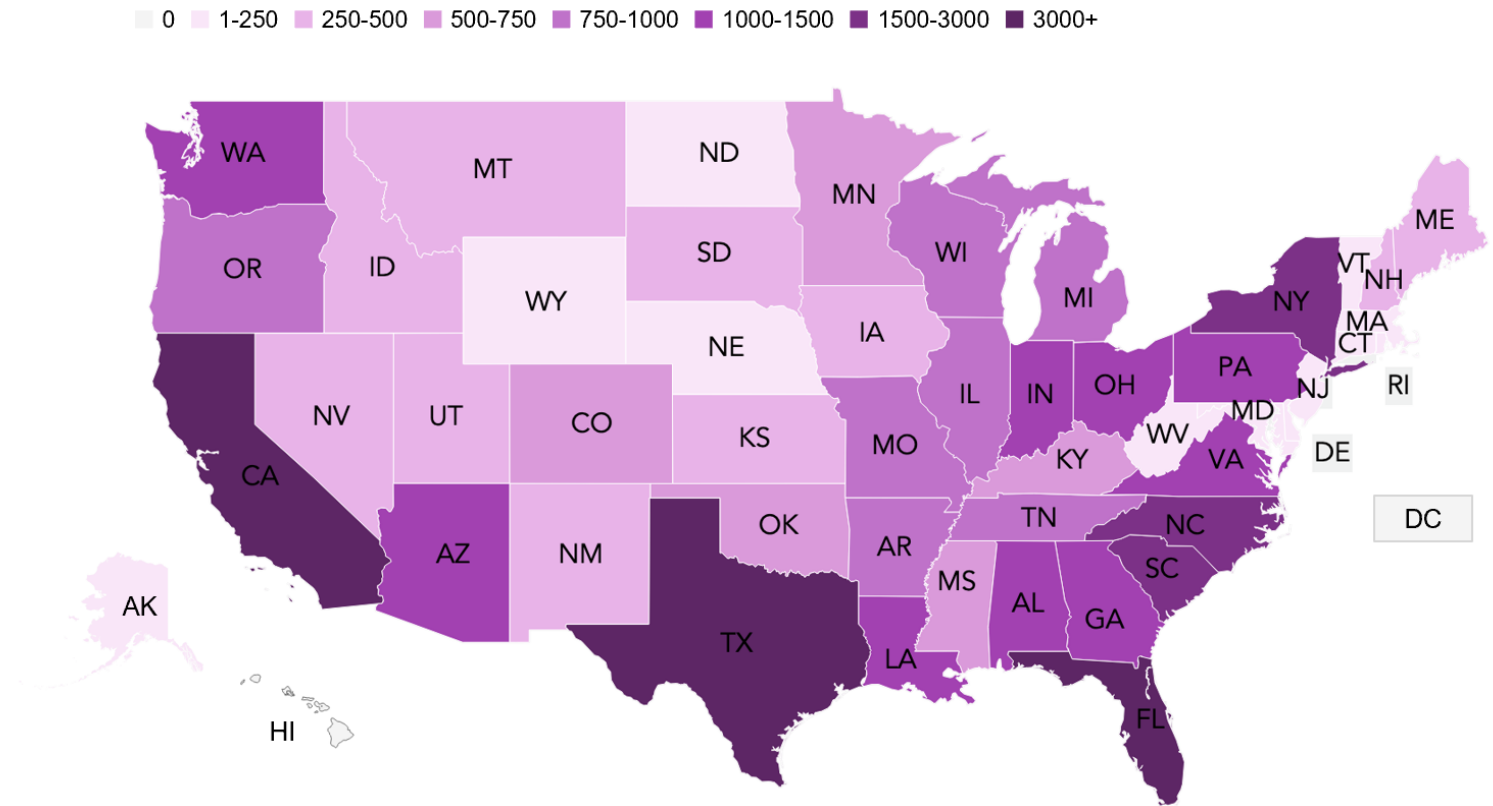
Manufactured homes are built indoors, free from the elements and with very little waste.



“Manufactured housing is no longer about mobility . . . but about affordability. These homes look pretty much like your typical ranch house but, depending on where you live, they might cost half the price.”

Financial Times, Feb. 7, 2020
“Why big investors are buying up American trailer parks”

Manufactured home communities by state



“This is one of our nation’s largest sources of deeply affordable housing, and it’s deeply affordable without any federal subsidy.”

Esther Sullivan, Associate Professor of Sociology, University of Colorado Denver and author of *Manufactured Insecurity: Mobile Home Parks and Americans’ Tenuous Right to Place*

45,600 communities nationwide

2.7M homeowners and renters

Median incomes half of national median

Detached, modest size factory-built homes in dense neighborhoods

Consolidation is rampant

“The homes of some of the poorest people in the country are being snapped up by some of the richest people in America and likely there’s been no problem whatsoever ... except I’m obviously lying, it’s going terribly!” John Oliver, April 8, 2019



Resident Owners contrast with large consolidators

The Financial Times reported on abutting communities – one REIT-owned and one a co-op – in Clackamas, Oregon:

- **Affordability** of site-fees 2012 to 2017:
 - REIT: Increase from \$638 to \$828 per month
 - Co-op: Steady at \$590
- **Neighborhood investment:**
 - REIT: A resident reported, “nothing has yet been done about repairs to pavement ... there are new sewer leaks.”
 - Co-op: Residents’ report, “We have made major investments in reclaiming the salmon habitat and building walking trails.
- **Community identity:**
 - REIT: “They don’t talk to us. They don’t seem to have time.”
 - Co-op: “It’s a secure, friendly community. We won’t be moving ever again.”





“ROCs are one of the few sources of unsubsidized naturally occurring affordable housing in the country not subject to market-based rent increase.”

2019, Freddie Mac, Spotlight on Underserved Markets

Scale and Impact

- 308 Resident Owned Communities
- 21 states
- 21,500 home-sites preserved
- Site-fees are \$600/year below market after 5 years of ownership (Colliers, longitudinal study)
- ROCs raising site-fees 1% per year versus 5.9% industry average (portfolio data and Colliers)
- Homes in ROCs sell faster and for more than comparable homes in comparable investor-owned MHC. (2006 UNH)
- CDFI – ROC USA® Capital – with more than \$300M in originations
- 10 Affiliated nonprofits plus a Direct Technical Assistance team for nationwide services

Resident-owned Community

- **Limited-equity Cooperative**
- **Homeowners own the home**
- **Homeowners own a share of the corporation**
- **The corporation (co-op) owns the land and leases site to member/homeowner**



The Co-op corporation is the owner/operator, the borrower, holds title to the property

- The corporation is governed by an elected Board of Directors
- The property is professionally managed by hired PM
- Site rents are revenue to support expenses and capital improvements
- Property is valued based on cashflow
- Homeowners' homes appreciate not Member shares



Evergreen Village Cooperative

- ROC #304 (Oct. 28, 2022)
- Mt. Bethel, Pa.
- 158 Sites, 55 & older community
- \$12 million purchase price
- Rent Increase: \$145 a year for two years (32 percent each year) after purchase
- Financing by: ROC USA® Capital, including support from Wells Fargo



Policy Priorities

- Infrastructure Resources-
2023 PRICE Initiative
- Access to affordable housing
resources
- Equal access to commercial
financing
- Single Family financing



The Role of Planners

- Comprehensive Plans
- Planning and Building Codes
- Zoning
- Explicit inclusion of
Manufactured Housing and
Resident Owned
Communities
- Berlin and Lebanon, NH



“It’s like living
half the
American Dream
because you
own your home
but not the
land...”

Emily Gorgol,
City Council,
Fort Collins, Colorado



Mary O'Hara

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Maureen Shindle

Member & founding Board President (2022)

Evergreen Village Cooperative