

Important Note: This document is a DRAFT. It is the basis for committee discussion. There may well be important errors. If you find concerns, omissions, needed additions, and/or errors please let the Mobile Home Task Force know by emailing Curt Taylor (Chair) at CTaylor@leg.state.vt.us.

December 13th, 2023

**Report from the Mobile Home Task Force
Mobile Homes and Mobile Home Parks in Vermont**



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Executive Summary

Every challenge presents an opportunity. Of the many challenges facing Vermont, three relate directly to the work of the Mobile Home Task Force (MHTF): the lack of affordable housing, a shortage of the skilled workforce needed to build and maintain housing, and the State's continued dependence on fossil fuels. These challenges present the motivation and the opportunity to re-envision mobile homes as an affordable, energy efficient, housing alternative that utilizes a centralized, well-trained, and highly efficient workforce. Section I of this report details the motivations behind this historic opportunity.

During the MHTF's investigations, several barriers to mobile home ownership and mobile home park sustainability were identified that were not mentioned in the MHTF charges in Act 47 of 2023. Those barriers, and recommendations on how to overcome them, are presented in Section III of the report.

To support the State's current mobile home housing sector and to transition to the realization of the vision of Section I, Section II of the report presents the MHTF findings and recommendations for each of the six task force charges of Act 47 of 2023. As the MHTF took testimony and researched the topics assigned and discussed recommendations, barriers to the sustainability of mobile home parks were revealed. Those barriers are discussed in Section III along with recommendations as to how they can be overcome.

* * *

The Mobile Home Task Force's most important recommendations are outlined here:

Infrastructure: Current successful programs addressing the infrastructure needs of mobile home parks must be sustained and enhanced. A concerted effort must be made to identify the near- and long-term infrastructure needs and costs of each mobile home park and a plan developed to secure the resources necessary to address those needs.

Technical Support: The MHTF recommends the development of a team of specialists, housed within the Department of Housing and Community Development (DHCD) or Champlain Valley Office of Economic Opportunity (CVOEO), that will respond to the needs of MHPs and MH that lack the technical expertise and knowledge needed to convert to a cooperative, apply for appropriate low-interest loans and grant, coordinate different funding source for large projects, or obtain and satisfy needed permits.

Governance: Additional funding and resources must be allocated to CVOEO to provide training for mobile home park leadership teams. This funding should include economic incentives encouraging cooperative members to take on the time commitment and responsibilities of governance.

Data: All housing data in Vermont must be housed and maintained at a single location. DHCD or Vermont Housing Finance Agency (VHFA) are the likely candidates. Aggregated hard data on the location and age of all mobile homes must be made publicly available. mobile home park infrastructure needs and associated costs must be part of the data collected and maintained. Policy makers must encourage a serious look at the standardization of grand list data relating to mobile homes.

Digital Tools: The Risk Assessment tool must receive sustaining funds. A one-stop online portal for funding applications must be developed. A mathematical model of an MHP's economic drivers should be funded to determine a park's long-term affordability and survivability.

Statute Revisions: Without renaming "Mobile Homes" as "Manufactured Homes," statute needs to make clear that Vermont's "Mobile Homes" are the same as HUD's "Manufactured Homes." 10 V.S.A. §§ 2603 – 2605 regarding the financing and sale of mobile homes must be reviewed, simplified, and clarified. Portions of 11 V.S.A. chapter 7, 8, and 14 dealing with corporations, partnerships and associations must be reviewed and updated.

???Advisory Commission on Mobile Homes???: In order to continue the work of the Mobile Home Task Force, the Mobile Home Advisory Commission must be re-established by the Legislature.

Section I

Re-envisioning Mobile Homes and Mobile Home Parks in Vermont

Introduction

This section presents the case for re-envisioning the mobile home portion of Vermont’s housing sector.

What is a mobile home?

Everyone knows what a mobile home is. Yet, when serious discussions of data and policy begin there is often confusion between related terms: mobile home, manufactured homes, modular home, panelized home, tiny home, RV, camper, etc. The differences are clarified in this discussion of *Charge 4: Modern Construction*. This report, as with Vermont statute, uses the term “mobile home” as it is commonly understood: a home, permanently on a chassis and conforming to the U.S. Department of Housing and Urban Development (HUD) definition of a manufacture home.

Affordability

Mobile homes have always been recognized as an affordable alternative for single-family housing. Unfortunately, that affordability has also meant low-quality and depreciating value. In many cases, what was affordable to buy became a financial burden to maintain. However, as this report details in its response to *Charge 4 – Modern Construction*, much has changed over the past twenty years. The mobile homes sector of housing continues to leverage new building materials, recent energy efficiency science, and construction technology in developing mobile models that will soon rival their stick, modular, and panelized equivalents in energy efficiency and durability, at a lower cost to the consumer.

“If you told me ten years ago that I would be living in a mobile home, I would have said you were crazy. But now? I love it.”

Mike Cook – Williston Woods, Williston, Vermont

Affordability has only increased in importance as the real estate market, nationally, and in Vermont, continues to put homeownership out of reach for a growing number of prospective buyers. Frustrated first-time homeowners, planning smaller families, are looking to mobile homes as an alternative to the high cost of entering the housing market.

Many of those who currently live in mobile homes are reluctant to move. Giving up a low-interest mortgage, or no mortgage at all, during a time of high interest rates may not be a smart move for those on limited income. Some, burdened with the utility costs of aging mobile models, cannot set aside funds for a future home purchase. All this puts pressure on a tight housing market, increasing the importance of affordable housing alternatives.

Labor

Affordability is not the only reason mobile homes and other factory-built alternatives are receiving increased attention from policy makers. The Vermont Department of Labor projects a need for 446 carpenters and 326 construction laborers each year toward 2030.¹ As Vermont policy makers search for the funding to build more housing, there remains a shortage of those that will do the work if carrying out that policy. Building, renovating, weatherizing, and maintaining housing requires on-site workers throughout the state.

“You can’t understate the amount of time that is wasted in transit to job sites in remote areas for both people and materials.”

Thatcher Butcher – KBS Homes , South Paris, Maine

Factory built housing provides a means to achieve the goals of more housing while maximizing labor efficiency. The Titan Homes factory in Sangerfield, New York employs 75 to 100 workers on their assembly line producing mobile homes. In a normal year they produce about 800 homes and could do as much 1200 – 1300.² It takes about 7 days to produce a single home.

There are many factors that contribute to the labor efficiency of factory-built homes.

- Workers are in a climate-controlled environment.
- Workers receive systematic training and oversight.
- A broad range of building skills are utilized throughout the workday with worker moving from unit to unit as their skills are needed.
- Professional management techniques are more easily implemented: career ladders, incentives, etc.
- Workers commute to a single location enabling them to find housing nearby and not be subject to long drives in rough weather.
- Home floors can be raised to enable easy access by plumbers and electricians.

Climate Change

Mobile homes and factory-built homes are also answering the challenge of reducing Vermont’s greenhouse gas emissions. HUD energy standards will soon be implemented for new mobile homes. Though those standards are not nearly as strict as Vermont’s state-wide energy code for residential housing, they are a step forward. Mobile home manufacturers, responding to Federal task incentives, are producing mobile homes that exceed HUD minimum standards.

In an effort to make their target net zero energy mobile home mass produced and affordable, Efficiency Vermont is working with mobile home manufacturers.

The factory-built construction approach also has energy efficiencies:

¹ Vermont – Declining and High Demand Occupations 2022
(<http://www.vtmi.info/decliningandhighdemandocc.pdf>)

² Email exchange with the head of sales at Titan Homes provided by Peter Schneider of Efficiency Vermont.

- Building material and appliances can be bought in bulk and stored out of the weather.
- Material waste is minimized. One factory heats its cement floor with scrap wood from the assembly line.
- Transportation of workers and supplies is minimized and consistent.
- Mobile home parks can be built more quickly, with less impact on the environment. On-site infrastructure can be prepared as the homes are being built.

"It's a process, not a product . . . we can build almost anything you want in a controlled, efficient environment."

Jason Webster – Huntington Homes,
Montpelier, Vermont

Conclusion

The perception of mobile homes as substandard housing persists, but is changing. One of the Task Forces's primary recommendations is that we all re-envision mobile homes and mobile home parks as an important part of any initiative to provide affordable housing with a challenged labor market in a world just beginning to feel the effects of climate change.

Section II

The Charges to the Mobile Home Task Force

Introduction

Act 47 of 2023 created the Mobile Home Task Force (MHTF) and specified six charges. This section details the findings and recommendations for those charges. According to statute: “The Task Force shall study the current landscape for mobile homes and mobile home parks in this State, including the following issues:”

Charge 1: The status of mobile homes and mobile home parks in Vermont

- (1) the status of mobile homes and mobile home parks within Vermont’s housing portfolio;

The MHTF interpreted this as a request for an overall understanding of how mobile homes and mobile home parks relate to Vermont’s other housing sectors. In addition, the MHTF provides statistics characterizing the mobile home sector.

How many mobile homes in Vermont?

Vermont’s 2022 grand list contains 20,396 items categorized as mobile homes that are either on land owned by the owner of the mobile home (10,630) or rented (9,766).³ This is consistent with numbers from various Vermont sources. The 2022 U.S. Census Bureau’s American Community Survey (ACS) estimates that of the 338,988 total housing units in Vermont, 18,785 are mobile homes.⁴ One-third of those (ACS) mobile homes are in mobile home parks that are either privately owned, owned by non-profits or are cooperatives.⁵ The numbers from the grand list are probably accurate, as the ACS numbers are estimates. However, the ACS numbers can be used for comparisons and percentages. Most publications say that around 7% of Vermont’s housing units are mobile homes, though ACS estimates 5.54% for 2022.

How many mobile home parks in Vermont?

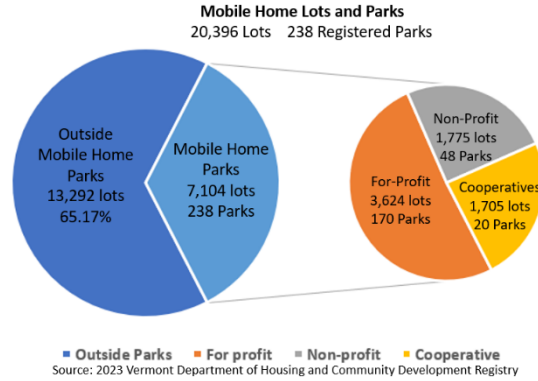
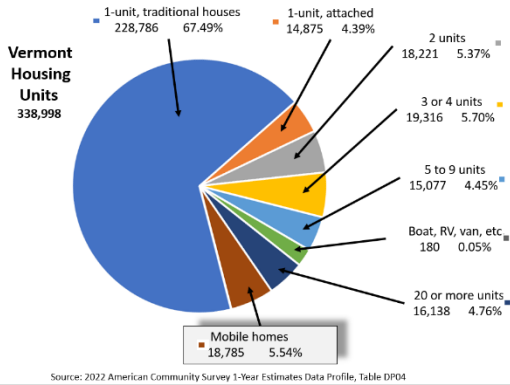
By statute, all mobile home parks must annually register with, and pay a fee to, the Vermont Department of Housing and Community Development (DHCD). Currently there are 238 registered parks.⁶ The number of lots is one of the data points collected for each park. The total number of lots in Vermont’s register mobile home parks is 7,104. The parks are also characterized as being owned by for-profits, non-profits, or cooperatives. That data is shown below.

³ Grand list data may not be precise. An effort was made to sharpen these numbers by eliminating records that may be referring to campers and RVs.

⁴ 2022 ACS 1-Year Estimates Data Profile table DP04 (<https://data.census.gov/table?q=DP04&g=040XX00US50>)

⁵ Vermont Department of Housing and Community Development’s Mobile Home Registry (November 2023)

⁶ DHCD Registry data for 2023.



The chart on the left shows categories of housing units in Vermont as estimated by the ACS.⁷ The ACS defines a “housing unit” as:

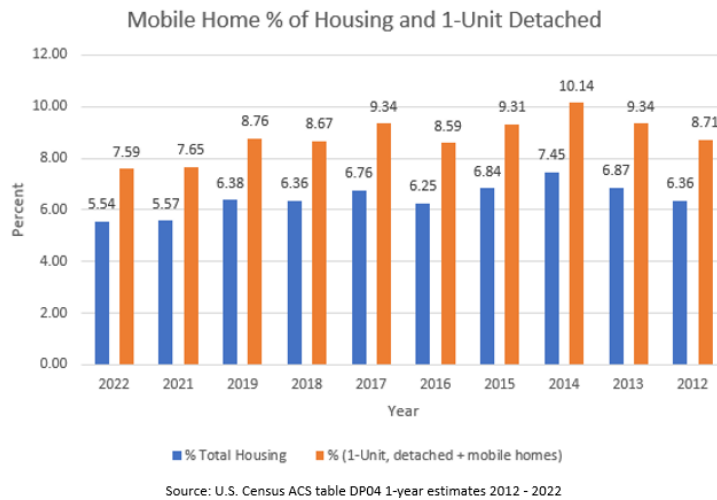
a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.⁸

The chart on the right illustrates percentages of lots inside and outside of mobile home parks and the ownership of those parks.

Vacancies

The trend in the mobile home sector

The chart to the right shows the change over the last ten years of the portion of Vermont’s housing sector that is characterized as mobile homes by ACS. That sector appears to be trending smaller, as is its portion of all single family detached housing, which includes mobile homes.

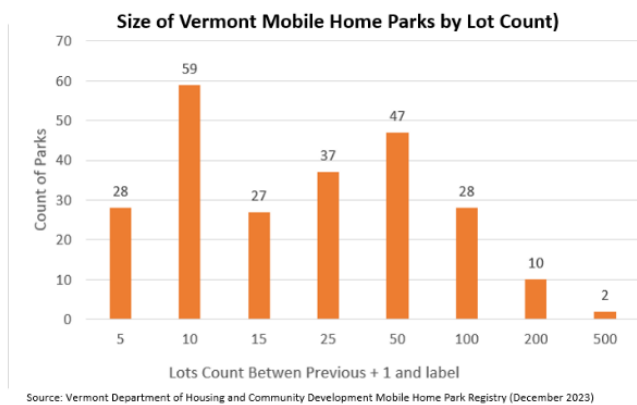


For those interested in housing in Vermont, this begs the question: “What about the other sectors?” That chart is provided as Exhibit 1.

⁷ A “housing unit” is not a “household.” The Vermont Housing Finance Agency (VHFA) tracks household data at HousingData.org.

⁸ <https://www.census.gov/quickfacts/fact/note/US/HSG010222>

The size of Vermont's mobile home parks.



Compared to much of the United States, Vermont's mobile home parks are small. When discussing mobile home parks, a "small park" in Vermont is considered to contain 25 or fewer lots.

The State's small lot sizes is mentioned casually as one of the reasons large corporations or investors have not shown much interest in purchasing mobile home lots in Vermont. Some Mobile Home Parks

in Florida, Texas and California have lot counts between one and two thousand.

Who owns Vermont's mobile home parks?

The ownership of Vermont's mobile home parks is a mixture of sole-proprietorships, for-profit entities, non-profit entities, and cooperatives. Many of the smaller parks are owned by single individuals or families that have set up limited liability corporations. Vermont statute ([10 V.S.A. § 6242](#)) requires that when a park is to be sold, the park residents must be given the opportunity to purchase the park as a cooperative.

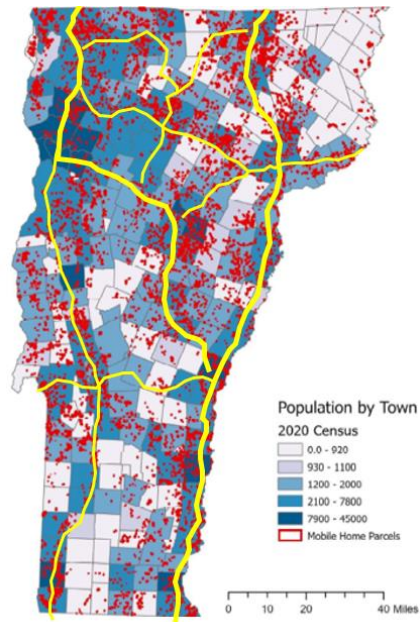
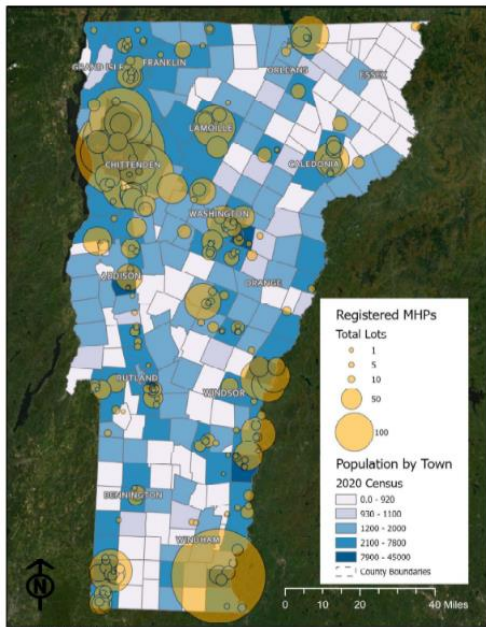
Add chart showing ownership of Parks. Add explanation of types of ownership

Where are Vermont's Mobile Home Parks located?

A recent study (in draft form at this date) commissioned by the Vermont Agency of Transportation (VTrans) details the history of mobile homes and mobile home park development in Vermont.⁹ There were many factors determining their location. The two charts below, taken from another study by Vtrans, provide some insight. A yellow overlay of major roads has been added to provide context.¹⁰

⁹ Vermont Mobile Homes and Mobile Home Parks and Subdivisions, 1929-1976 Multiple Property Documentation Form.

¹⁰ Exhibit ?? lists the Vermont House and Senate districts and the number of mobile homes and parks in each.



The chart on the left uses data from the DHCD Registry. It shows the location of registered parks, with bubbles scaled to the number of lots in each park. The chart on the right uses Statewide Standardized Parcel Data to show the location of individual mobile homes. Access to highways is important.

Proximity to public transportation.

The VTrans report states:

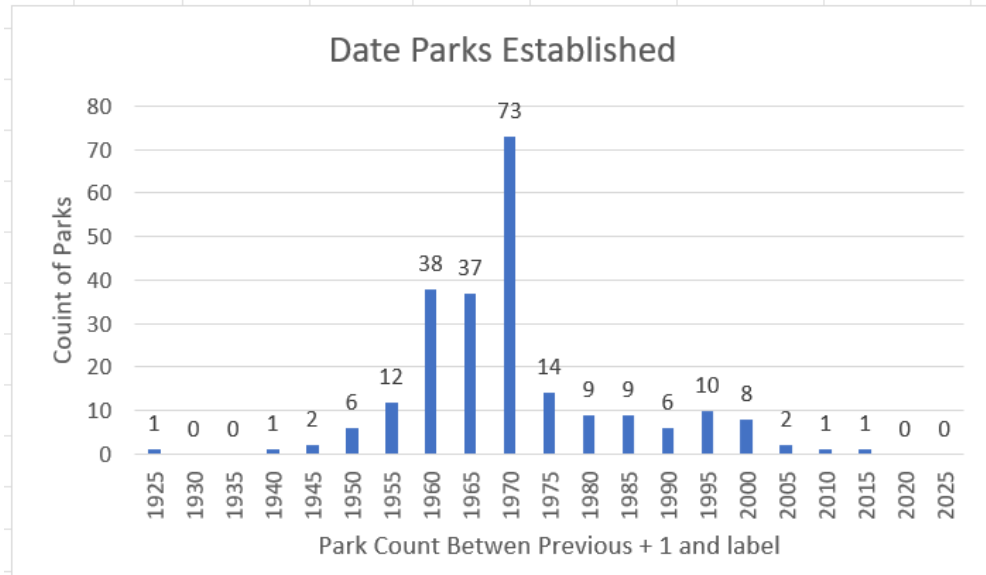
In fact, 90 percent of registered parks are located within one mile of a main transportation corridor, and 80 percent are within one-half mile. In looking at individual parcel data, approximately 74 percent of all landed and unlanded mobile homes are also located within one-half mile of a main transportation corridor. Those that are further from one of these main corridors are well-distributed throughout the state and no regional trends were discernable in this respect.

Only 12 parks are located more than two miles from a main transportation corridor, and none are more than five miles away. Just over 2,000 mobile home parcels are located more than two miles from a highway, and only 61 parcels statewide are located more than five miles from a main highway.

The age of Vermont's mobile home parks

The age of Vermont's mobile homes and mobile home parks is a significant determinant of the sustainability of both. This is discussed in more detail under Charge 2 (the condition and needs of mobile homes and mobile home parks) and Charge 5 (data availability).

The DHCD registry includes the date the park was established. There are eight parks for which the date established is not known.

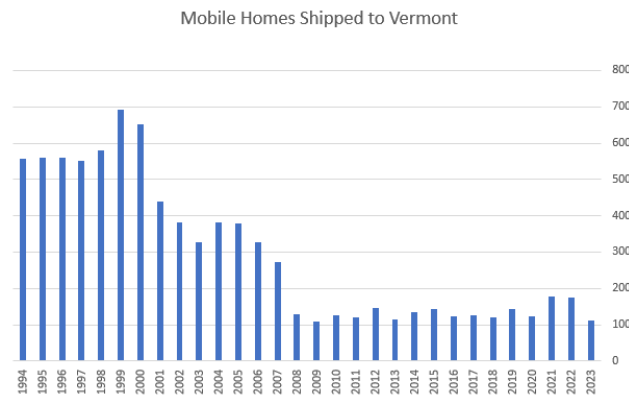


The chart shows that many of Vermont’s parks were established prior to important environmental regulations. The federal Clean Water Act was passed in 1972. The National Manufactured Housing Construction and Safety Standards Act was passed in 1974. And in Vermont, the Mobile Home Park Act (10 V.S.A Chapter 153) went into effect. That act required new parks proposals to be reviewed by the Agency of Natural Resources. The impact of legislation is presented under Charge 2 : Conditions and Needs.

The age of Vermont’s mobile homes

Determining the age of each mobile home is another matter. The Registry does not include information on each home within the parks. Vermont’s grand list of properties identifies mobile homes and occasionally notes the age of the home in a property description field. It depends on the town and who assesses the property. These data deficiency, and others, are described under Charge 5: The type and scope of data. The age of Vermont’s mobile homes and its relationship to durability and energy efficiency is discussed in Charge 2 (Condition and Needs of Mobile Homes Parks).

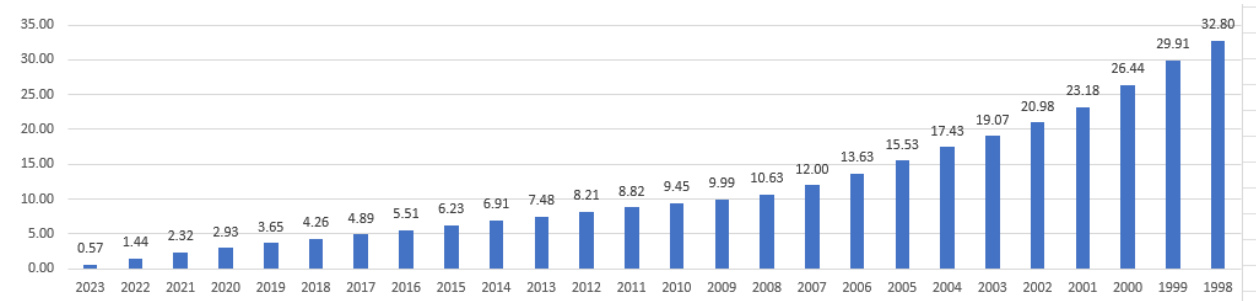
However, some idea of the overall age of Vermont’s mobile homes can be obtained indirectly. There are about 20,000 mobile homes in Vermont. This chart uses federal data on shipments of mobile homes.¹¹ It shows the number of mobile homes shipped to Vermont since 1994.



The data does not indicate if new mobile homes replaced older homes, but it does indicate that since 2000, 4,635 new homes have arrived in Vermont. That’s 23.18% of the current mobile home stock.

¹¹ Source: US Census Bureau Building Permit Survey at <https://www.census.gov/construction/bps/index.html>

Assuming that no homes shipped after 1998 were being replaced by new homes, the following chart shows the percentage of the estimated 20,000 mobile homes in Vermont that arrived since each year.



Who lives in Vermont’s mobile homes?

In 2011, the year Irene hit Vermont, the University of Vermont Department of Community Development and Applied Economics (UVM) and the Champlain Valley Office of Economic Opportunity (CVOEO) Mobile Home Program conducted a statewide survey of mobile home park residents. 282 households in 127 parks were involved. The results are published in several fact sheets and are shown here:¹²

Demographics

- Average residency in park: 11 years
- Median household size: 2.36 persons
- 26% of households have at least one child under 18 Compared to: 30% statewide in Vermont¹³

Health

- 41% of households reported a person with a health condition or disability that would be a concern in an emergency situation.

Education

- 41% of respondents had a high school degree or GED

¹² Baker, Hamshaw, & Woodward. (2012). Vermont Mobile Home Parks: Information for Emergency Planners [Fact Sheet]. University of Vermont: Burlington, VT. and Baker, Hamshaw, & Woodward. (2012). Vermont Mobile Home Parks: Resident Demographics [Fact Sheet]. University of Vermont: Burlington, VT.

¹³ US Census Bureau (2010). American Community Survey 5-Year Estimates for Vermont. Tables DP02, DP03, & HP03

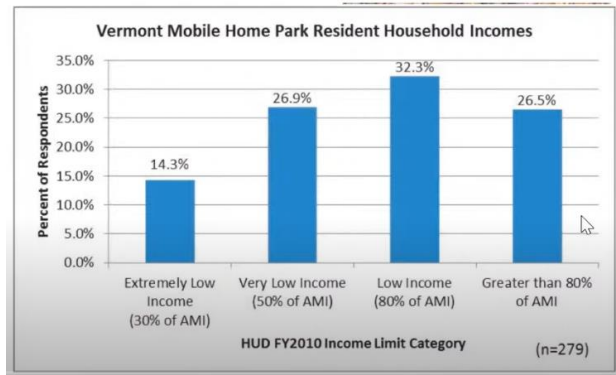
- 25% had completed a graduate, bachelor, associate, or technical degree

Employment

- 64% of households had at least one person employed
- 32% of households had at least one retired senior

Income

- Median income reported by mobile home park residents: \$30,000. State Median Income: \$51, 841.¹⁴
- The charts presented by Peter Schneider of Efficiency Vermont shows data from 2010.



These results comport with national statistics. A 2014 report by the Consumer Financial Protection Bureau (funded by the Federal Reserve) referencing 2008-2012 ACS data, summed up its national research into a comparison of residents in site-built homes with those in mobile homes with the following:

Certain consumer segments are disproportionately represented among owners and renters of manufactured homes, in particular older consumers, consumers that have completed only high school, households with relatively low income, and households with relatively low net worth. . . “[A]mong owner-occupant households, the heads of households that lived in manufactured housing are a bit more likely to be younger than 30 or older than 70 than are site-built owner-occupant household heads. The median age of a head-of-household owner of a manufactured home is 53 years, identical to the median owner-occupant head-of-household for all home types. . . . Nearly one-fifth of households that live in manufactured homes have an older (55 or older) single head of household with no children in the home, compared with less than 15 percent of households that live in site-built homes. A greater proportion of households that live in manufactured housing are headed by a retiree (32 percent) than site-built households (24 percent)

What are the lot rents in Vermont’s mobile home parks?

Yet to be added

Who owns Vermont’s Mobile Home Parks?

Yet to be added

¹⁴ Same as footnote 9

Conclusion

Mobile homes, inside and outside of mobile home parks, are a significant portion of Vermont's housing stock. Though large mobile homes and parks are located near population centers, single mobile homes are in evidence throughout the state. They are sparse only in the more isolated and mountainous portions of the state. Location is important. The demographics of mobile home park residents show that this is a population in need of public transportation and access to social services.

Vermont's mobile home parks are small when compared to those in many other states. There have been few new parks established in the last decade. And most parks were established prior to the passage and enforcement of environmental regulations. The age of Vermont's mobile home stock highlights the need for mobile home maintenance or replacement. A particular burden for low-income residents.

Other sources of Information

Both the Vermont Legislature and Administration have demonstrated an increased interest in Vermont endemic housing shortage. The following are entities currently addressing the need for information and recommendations.

- The Administration's [Vermont Council on Housing and Homelessness](#) is charged with developing "specific and measurable interventions" relating to housing and homelessness. A "Tactical Action Plan outlining annual strategies" is due December 31st of 2023.
- Act 182 of 2022 and Act 47 of 2023 direct the Natural Resources Board (NRB) to report on [necessary updates to the Act 250 Program](#) due December 31st, 2023 concerning changes to Act 250.
- Act 47 of 2023 (S-100 Sec. 23) creates the Energy Code Compliance Study Committee with a report due December 1st, 2023 concerning "increasing compliance with the Residential Building Energy Standards (RBES) and Commercial Building Energy 20 Standards (CBES)."
- Act 47 of 2023 (S-100 Sec. 15) requires the Vermont Association of Planning and Development Agencies to produce a Regional Planning Report by December 15th, 2023.
- Act 47 of 2023 (S-100 Sec. 18a) also directs the Vermont Association of Planning and Development Agencies to "develop a proposed framework for delegating administration of Act 250 permits to municipalities."
- Vermont Affordable Housing Coalition has setup a subcommittee that is dealing specifically with mobile home issues.
- Vermont Mobile Home Park Research Collaborative (VMHPRC) – UVM and CVOEO.
- VTrans
- CDIs project on new parks

Recommendations:

- 1) Ensure MH and MHPs are part of any comprehensive long-term plans to deal with housing as well as homelessness. **How?**
- 2) Encourage continued funding for the Risk Assessment Tool.
- 3) Consider expanding the use of the Funding Matrix referred to in the Findings. This may entail importing the data into an online database, funds for continued maintenance, and designating a single entity as responsible for its use.
- 4) Expand statutory definition of Mobile Home Park to include those with resident owned lots. This would enable more parks to be in the DHCD and be eligible for loans and grants. Bills have been submitted in both the House and Senate to accomplish this.
- 5) Support legislation or other measures so that federal and state grants are not taxed as income to MHPs.

DRAFT

Charge 2: MHP Condition and Needs

The Charge:

- (2) the condition and needs for mobile home park infrastructure among parks of various sizes;

The Issues:

- 1) In order to devise policies that will sustain Vermont's mobile home housing sector, policy makers need accurate assessments of the conditions and needs of MHs and MHPs in Vermont.
- 2) What prevents new mobile home parks from being built in Vermont?

Findings:

- 1) Expand on discussion of the impact of age on MH and MHP.
 - a. Nearly all MHPs have significant infrastructure needs resulting from recent environmental regulations.
- 2) Parks are also put on the market because they are not economically viable.
 - a. Empty lots
 - b. The need for large rent increases to cover infrastructure upgrades.
- 3) Parks are put on the market because no one wants to manage them. Family business with heirs and offspring not interested.
- 4) Small MHP (< 20 lots) are particularly vulnerable.
 - a. Less economical – several empty lots have a larger impact on revenues. Storm damage recovery cannot be spread among as many homes.
 - b. Few units means it's harder to form a cooperative and buy the park if it's up for sale.
 - c. CDI and non-profits are reluctant to purchase or manage.
- 5) CDI has condition and need information for the MHPs they work with. Include some detail from CDI testimony.
- 6) New parks, like any development, require large startup costs for infrastructure. The return on investment is not enough to justify the risk.
- 7) There is some "not in my back yard" attitude toward MHPs, even though statute says municipalities cannot exclude MHPs and MHs.
- 8) No clear path for dealing with "gentrification" of mobile home parks (mobile homes replaced with much more expensive modular, tiny, or stick-built homes which may reduce affordability).
- 9) Affordability Guarantees:

Over 50% of Manufactured Homes in Need of Replacement – (pre-1994)

Park	Homes built before 1976	Homes built between 1977-1994	Homes built after 1994	Median Age of Homes
Lindale	13 (21%)	31 (49%)	19 (30%)	35
Brookside	3 (6%)	32 (70%)	11 (24%)	37
Hillside Manor	3 (12%)	11 (44%)	11 (44%)	30
Lazy Brook	0 (0%)	24 (55%)	20 (45%)	29
TOTAL	19 (11%)	98 (55%)	61 (34%)	34

- i. Cooperatives formed under 10 V.S.A Chapter 153 are not required to be Limited Equity Cooperatives ([11 V.S.A. § 1598](#)) and maintain affordability.
- ii. CDI uses model Articles of Association from ROC-USA that have affordability guarantees.

10) Check with DEC to see if they have any specific information on Mobile Home Park 3-acre permit mitigation needs.

- 11) Discuss testimony by DEC on availability of Revolving Loans.
- 12) Funding for multi-million-dollar infrastructure projects for large MHPs can be a very complex mix of Federal, State, private and non-profit funding sources. VHCB has assisted in several of this. Tri-Park is an example.
- 13) Municipalities are challenged to fund expensive infrastructure extensions or projects for new or existing MHPs. In the case of a new development, such costs are often put on the developer which increases the cost per unit and results in housing that may not be affordable for low or middle-income residents.
- 14) The Task Force heard, anecdotally, that municipal regulators of MHPs are sometimes more vigilant of MHPs after a conversion from private ownership to cooperative. The change heightens awareness of regulations that may not have been enforced prior to the change.
- 15) Recent ARPA funds, funneled through DEC's Healthy Homes program has significantly improved funding projects related to drinking water, wastewater, stormwater, and drainage systems in MHPs.
- 16) The U.S. Census Bureau collects various data points through surveys that can indicate substandard housing quality. One of those substandard housing flags is a mobile home built before 1979.

Recommendations:

- 1) Consider funding a centralized team at DHCD tasked with MHP conversion issues and facilitating cooperation among funding sources when large infrastructure projects are required.
- 2) Consider ways to obtain and consolidate data on infrastructure needs. Statewide survey (costly and some may have no idea what their infrastructure needs are). Consider programs in State Technical Schools to collect infrastructure data with students doing the surveying.
- 3) Consider an Informal survey of registered parks to see which have a good idea of what their needs are and how much they cost. Target the others for a contracted assessment, needs development and cost projections.
- 4) Review State loan and grant requirements that prevent MHPs with various governing structures from applying.

Charge 3: Real Estate vs Personal Property

The Charge:

- (3) the current statutory treatment of mobile homes either as personal or real property;

The Issues:

- 1) Is a Mobile Home is either Personal Property or Real Estate.

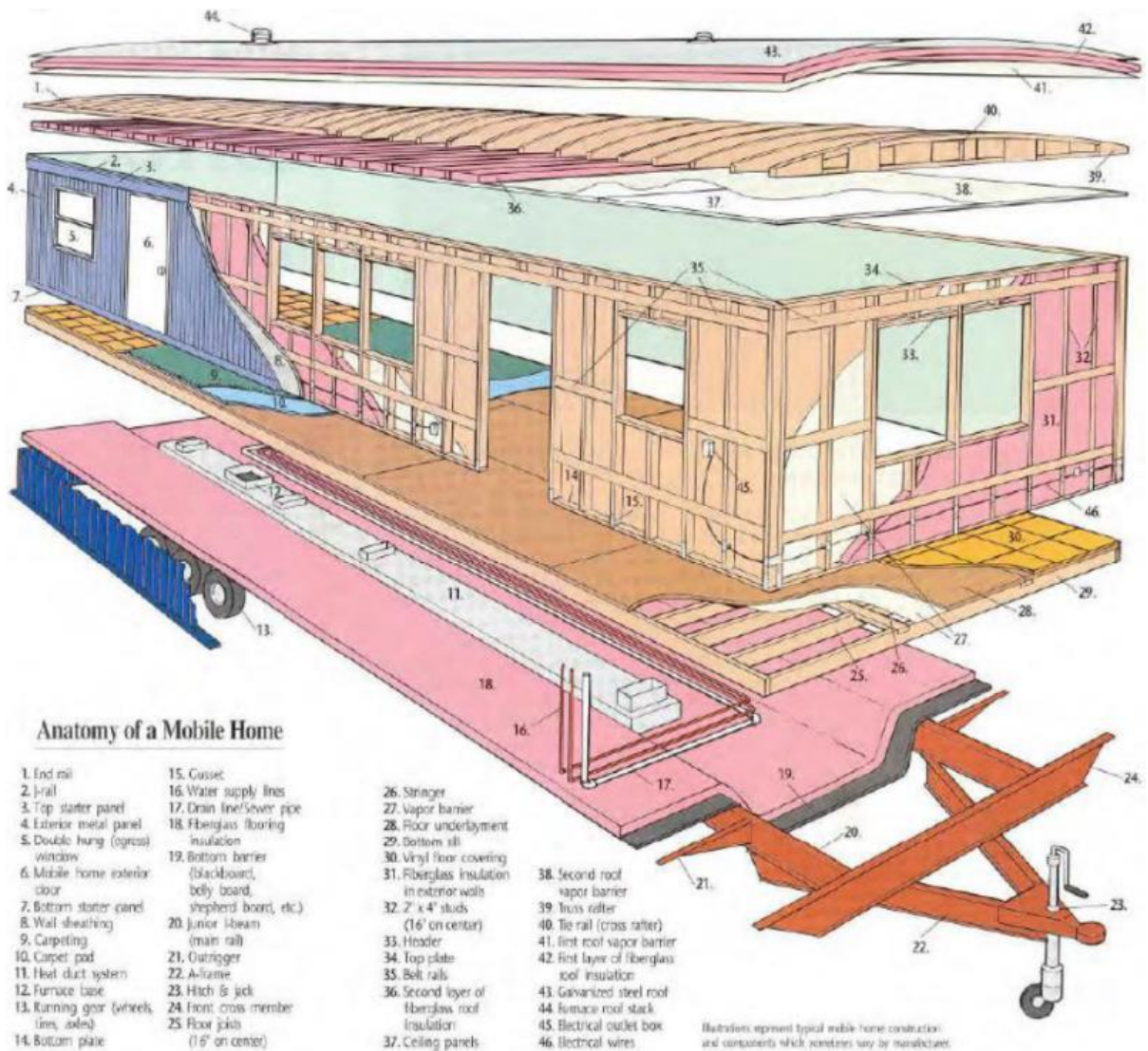
Findings:

- 1) [9 V.S.A Commerce and Trade Chapter 72: Mobile Homes](#)
- 2) Concise statement of what the statutes say.
 - a. Site 9 V.S.A § 2603(b) and stress the difference between “May” and “Shall”
- 3) Concise statement of [what the Tax Department says](#).
- 4) Concise statement of what the [Vermont Bankers Association says](#).
- 5) Impacts lenders (site NEFCU and VSECU merger and problem with personal loans on the secondary market).
- 6) Impacts loan rates and terms.

Recommendations:

- 1) Create small, temporary, group of stakeholders to pick through the process of buying and financing mobile home purchases. Members might include the following:
 - a. A bank’s loan officer
 - b. A mobile home dealer
 - c. A town clerk
 - d. Tax department
 - e. Leg Counsel

Charge 4: Modern Construction



The Charge:

- (4) modern construction, energy efficiency, and durability of manufactured housing, and the availability, affordability, and suitability of alternative types of manufactured, modular, or other housing;

The Issue:

- 1) Policy makers need to understand the products for which they are devising policy.
- 2) In the case of Mobile Homes, policy makers need to also understand what influences how they are made, why they are less expensive than other housing alternatives, and how their construction is regulated.

Findings:

The Task Force Chair toured two modular home factories: [KBS Homes](#) in South Paris, Maine and [Huntington Homes](#) in East Montpelier, VT. Several other legislators

accompanied the Vermont tour at Huntington Homes and [Fecteau Homes](#) in Montpelier.

1) Clarification of terms for Single Family Homes

a. "Stick-built" or "Site-built"

i. Must conform to building codes of site locale.

1. Such codes (if any) may be modifications of the International Residential Code (IRC)
2. IRC codes are "prescriptive" and state exactly the way something must be built.
3. Vermont does not have state-wide building codes for single family residences. Some Vermont municipalities have adopted IRC codes or modifications thereof. Vermont does have statewide codes for plumbing and electric work.

ii. "Modular"

1. Modulares are self-contained rooms or portions of a structure, often with all four walls completed and moved as a single module.
2. Factory efficiency reduces cost.
3. Assembled in the field with large cranes.
 - a. Can be difficult to replace MHs with modular homes due to accessibility of equipment.
4. Some specialized labor in the field.

iii. "Panelized" – Walls built in factory.

1. Requires more specialized labor in the field.
2. Costs are likely higher than modular homes.
3. More efficient transportation.
 - a. Stackable walls for more living space.
 - b. Trucks not moving empty air of modules.

b. "Mobile"/"Manufactured" Home (MH)

i. Housing and Urban Development (HUD) definitions

1. Pre June 15th, 1976 – "Mobile Home"
2. After that – "Manufactured Home"

ii. Constructed on a permanent chassis.

iii. Must conform to Manufactured Home Construction and Safety Standards (HUD Codes)

1. HUD codes are "performance based codes (PBC)", allowing the manufacturer to determine the building methods and materials used to meet performance requirements.¹⁵
 - a. Factories can use less expensive material and still meet performance standards.

¹⁵ An example of the difference between "Performance Based" and "Prescribed": The prescribed code might say a builder must use 2 X 8 SPF lumber for rafters. The Performance based code might say, the roof must support 3 feet of snow.

- b. Allows for flexibility of design by factories.
- iv. Certified by HUD
- v. MH retailers cannot sell or lease a **new** MH that does not conform to HUD standards.
- vi. MH retailers may sell or lease **used** homes that do not conform to HUD standards unless State or Municipal regulations prevent it.
- vii. The Federal Housing Administration (FHA) does not insure mortgages on manufactured homes built prior to June 15, 1976. Most other mortgage insurance firms follow FHA's policy.
- viii. HUD also requires Installation Standards for MHs.
 - 1. Cement pad
 - 2. Skirting
 - 3. Etc.
- c. "Tiny" homes remain a largely undefined housing sector, though some informal use of square footage maximums have been used (120 square feet). Tiny homes are usually not manufactured. They may or may not have a chassis or be moved as a module. They also may or may not require attachment to electrical, drinking water or wastewater services. Some are permanent and may be considered small, stick-built, limited occupancy housing units. Some Vermont municipalities regulate tiny homes.

2) HUD and Mobile Homes –

- a. Mobile Homes are the only housing sector regulated by the Federal government. Why? Because Mobile Homes, unlike any other form of housing can cross state lines. Also, they are the result of a historical trend in motorized vehicles that have long been subject to federal regulation. Cars to Travel Trailers to Mobile Homes.
- b. Since 1976(?) the federal Department of Housing and Urban Development has regulated mobile homes.
 - i. HUD renamed Mobile Homes as Manufactured Homes
 - ii. HUD issued Performance Codes that all manufactured of mobile homes must meet.
 - iii. A HUD certification on Mobile Home means that the home was manufactured to those standards.
 - iv. The legislation that began the HUD regulations requires periodic updates to the codes. Recent codes deal with energy efficiency.
- c. Reference a possible Exhibit of the history of HUD regulations.

3) Energy Efficiency –

- a. Federal Department of Energy standards that will be used by HUD have been delayed, but should be implemented.
- b. Federal tax credits of \$2500 for an Energy Star home and \$5000 for a Zero Energy Ready home have caused manufacturers to build those homes even though they exceed the current HUD required energy standards.

- c. Efficiency Vermont and others have been replacing homes in some parks with mobile homes that meet energy standards above those required by HUD.
- d. Workforce trained in modern construction techniques for energy efficiency.
- e. With federal incentives to manufacturers, the cost difference between the highest energy efficient MH is about the same as the next lowest.

4) Durability – Review P. Schneider’s recent presentation.

5) The importance of the factory setting



Panoramic view of a modern manufactured home factory. Champion Skyline Titan Homes plant. Sangerfield, NY

- a. There are significant cost savings through the manufacturing process.
 - b. Controlled factory environment where construction material is not subject to weather.
 - c. Very roughly speaking the cost of a single family two-bedroom home (not including infrastructure) is as follows.
 - i. Stick build in the field: Rough estimates for a mid-grade house is \$350 / sq. Ft., so a 1600 sq. ft. house with two bedrooms might cost \$525,000 to build in the field.
 - ii. Modular
 - 1. 3-bedroom, 1478+ sq.ft., on site, fully set up, \$317,000 or \$215/sq. ft.
 - iii. Mobile/Manufactured
 - 1. Single-wide, energy star, ~880 sq.ft., 1 or 2-bedroom fully setup on site : ~\$132,000 or \$150+/ sq.ft.
 - 2. Double-wide, energy star, ~1,378 Sq., ft. 3-bedroom fully setup on site : ~\$180,000 or \$129+/ sq.ft.
- 6) Newer MHs and modular homes show significant safety and resident health improvements.
- a. They are not built with products that have been identified as hazardous.
 - b. Mobile Homes must meet federal health and safety standards
- 7) Workforce factors and implications of manufactured housing.
- a. In mobile home factories there is centralized, consistent training of specific skill sets.
 - b. Climate is controlled so workers performance does not vary with the weather.

- c. As a mobile home is built can be raised and lowered to allow easy access for plumbing and electric work.
 - d. In the field there is a lack of mobile home installers.
- 8) Maintenance and repair of mobile homes requires specialized knowledge and skills, particularly with the older varieties.
- 9) Construction workers are in short supply.
- 10) Factory built homes, both mobile and modular, are seeing increased interest due to the lower cost of production and the shortage of construction labor.
- 11) Building Codes
 - a. Standards and codes for construction, energy efficiency, accessibility, and fire and safety play a large part in determining the cost and availability of housing.
 - b. Vermont has no statewide building codes for single family housing. Plumbing and electric contractors are the exception. A person who hires a builder who does shoddy work has no legal recourse, outside of any contract. Some municipalities enforce their own building codes.
 - c. Vermont does have state-wide energy codes for residential housing, but compliance is low. Find and give statistics.
- 12) Long term durability of mobile/manufactured homes depends on the owner's commitment to the property and the availability of those with expertise in repair and maintenance.

Recommendations:

- 1) Consider programs to support training of more construction workers
 - a. Factories for mobile and modular homes are on the job training of construction workers, who may then move into the field.
- 2) Consider a refined definition of "Tiny" homes.
- 3) Consider adopting IRC building codes, or modifications thereof as statewide building codes. Take into account the effect that might have on home prices, availability of labor, ability of homeowners to seek legal action for below standard work, and quality/energy efficiency of product.
- 4) Review recommendations from the energy codes workgroup.

Charge 5: Type and Scope of Data

The Charge:

- (5) the type and scope of data and information collected concerning mobile home residents, mobile homes, and mobile home parks and opportunities to make the data and information more centralized, accessible, and useful for informing policy decisions;

The Issue:

- 1) The General Assembly needs accessible, quality data to inform good policy decisions.
- 2) Administrative agencies lack a centralized data source for both MHPs and MHs.

Findings:

- 1) DHCD has data on MHPs, but not so much on the residents (income, infrastructure needs, etc.)
- 2) The US Census Bureau has estimates but not solid data on housing in Vermont.
- 3) Efficiency Vermont has some on income and needs.
- 4) CDI has infrastructure needs for their parks.
- 5) VT Tax department has data on sales, and transfer of mobile homes.
- 6) There is very little data concerning MHs outside of MHPs.
- 7) 9 V.S.A. § 2606 requires that certain actions must be taken by a person moving a mobile home from one Vermont municipality to another, if a deed is registered with the clerk of the source municipality. One of those actions is to file a "Relocation Statement" (PVR-2606A)
- 8) When a mobile home is sold, a Bill of Sale is filed with the town clerk. Usually that is then filed with the town's land records. For some towns information about how many and what type of MHs were sold is fairly easily accessible through a searchable electronic database. For others it may be a time consuming search through paper copies.
- 9) **Sources of data** concerning MHPs with short description of each with references to how to find them
 - a. The DHCD Registry (online)
 - b. The Risk Assessment Tool (online)
 - c. CDI's information on the parks they are working with. (Rep & Res page)
 - d. Vtrans Reconnaissance Study (Rep & Res page)
 - e. 2019 VHCB Ryan Report on 52 parks in VT

Recommendations:

- 1) Centralize MHP and MH data and place it under DHCD management.
- 2) Determine if Form [PVR-2606A](#) (Vermont Mobile Home Relocation Statement) referenced in [9 V.S.A. § 2606](#) is being used as required.
- 3) Consider registering mobile homes, like cars.

- 4) Develop an online program for filing the Bill of Sale for mobile home conveyances with the appropriate agency. Policy makers would then have a better idea of the age, location and condition of mobile homes in Vermont.
- 5) Review the specifics of grant list treatment of mobile home to make the data more accurate and accessible.

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Charge 6: Conversion to Cooperative

The Charge:

- (6) conversion to cooperative ownership and technical assistance available to prospective and new cooperative owners, including the availability of guidance concerning governance structures, operation, and conflict resolution.

The Issue:

- 1) The sustainability of mobile home parks in Vermont depends on successful conversions from private ownership to cooperatives and non-profits.

Findings:

- 1) Running a MHP is not easy. When a park becomes a cooperative the board takes on considerable work and responsibility. Park residents often do not have the expertise to effectively and efficiently run a MHP.
- 2) Governance is an issue. A cooperative board, to work effectively, needs to understand how governance works. They may not be used to the give and take of a governing board. Policies and procedures need to be written and followed.
- 3) When an MHP becomes a cooperative, it can be owned by a non-profit or for-profit entity. For-profit entities must pay federal and state taxes on grants received.
- 4) Include input from CDI and park residents.
- 5) There are many Federal and State programs to support MHs and MHPs. Learning about those programs and applying for them requires time and expertise that those in MHP leadership may not have.
- 6) After converting to a cooperative, many MHPs have found significant infrastructure needs that were not identified pre-conversion. Without a low- or no-interest loan or grant funding, the burden falls to lot rents, jeopardizing affordability. In addition, cooperative leadership can be reluctant to raise lot rents on themselves and other residents.
- 7) When deciding to become a cooperative, residents know and accept significant increases in lot rents due primarily to the cost of financing the park purchase.
- 8) Post-conversion rent increases have been smaller (less than inflation). **Data?**
 - a. Due to the cooperative members finding efficiencies.
 - b. Perhaps also due to a reluctance of leadership to raise rent on themselves and other residents.
 - c. Cooperative leadership may be more attuned and sympathetic to the needs and financial conditions of park residents.
- 9) CDI has found that cooperatives have an easier time finding residents willing to serve on governing boards if there is a professional property management company handling the day-to-day affairs of the cooperatives.
 - a. Collection of lot fees
 - b. Responding to resident issues
 - c. Prioritizing maintenance and dispatching work crews
 - d. About 10 of the 16 parks they work with have local professional property management. The others rely on remote assistance,

- 10) CDI does provide services (bookkeeping, etc.) remotely to multiple parks.
 - a. Having this done locally is more effective and contributes to the strength of the governing boards.
 - b. Cost of remote is about \$16 per lot per month for bookkeeping etc.
 - c. Cost of onsite property management company is about \$22 to \$25 per lot per month.

Recommendations:

- 1) Fund training of cooperative leadership teams through CVOEO.
- 2) Review how establishing new cooperatives is handled by the Sec of State.
 - a. How much paperwork?
 - b. What legal requirements?
- 3) Consult with Vermont Dept. of Taxes about taxing grants to MHPs. Their status as profit vs non-profit is an important distinction.
- 4) Develop a one-stop loan and grant portal within the Administration to aid in applying for assistance.
- 5) Expand MHP access to infrastructure loans and grants.
- 6) **Technical assistance and long-term reserves**
- 7) Develop ways to foster communication between cooperative leadership teams to pool resources and troubleshoot problems. This could be a yearly “summit” of leadership teams. There may well need to be financial incentives to promote participation.
- 8) Review and update Title 11 (chapter 7, chapter 8, and chapter 14). 10 V.S.A. §§ 2603 – 2605 regarding the financing and sale of mobile homes must be reviewed, simplified, and clarified. Portions of 11 V.S.A. chapter 7, 8, and 14 dealing with corporations, partnerships and associations must be reviewed and updated.

Section III

Barriers to mobile home ownership and the sustainability of mobile home parks

- 1) **Implications of Governing Structure**
 - a. Property Taxes: municipalities have some flexibility in determining if a cooperative MHP is taxed as for-profit or not.
 - b. Federal and State income taxes: non-profit vs for-profit.
 - c. Availability of Federal and State grants and loans.
 - d. Availability of municipal services: road maintenance, snow plowing, etc.
 - e. Ability to tax residents (item 6d).
 - f. Ability to secure bonds (item 6d).
 - g. Mortgage rates and terms.
 - h. Eligibility for entry in DHCD MHP Registry (item 5a is ineligible by statute).
- 2) Purchasing a mobile home
- 3) Park Maintenance
 - a. Best to have professional property management company
 - i. Small parks (< 20 units) can't afford this
 - ii. Hard to find companies to do it
 1. Work force
 2. Stigma of Trailer Parks unreliable financ
- 4) Budgeted reserves for capital projects or unexpected expenses
- 2) CDI parks using ROC-USA have required reserves usually imposed by the lender when the park is set up. Thos non-ROC-USA parks set reserves depending on the capital needs identified when the park is purchased.
- 3) CDI strongly encourages their parks to set up capital reserves and is working with community development lenders to have them require reserves when financing park purchases.
- 4) All CDI parks have some reserves but some may not be enough. CDI is pushing to have those reserves increased and increased every year.
- 5) Technical Assistance particularly for smaller parks
 - a. CDIs TA is, one way or another, paid for out of lot rents. They have had to set up a minimum in order to break even. Small MHPs cannot afford the service.
 - b. Broadly speaking parks that receive proessional TA do better than those that do not.
- 6) Difficulties of smaller parks
 - c. Larger parks can spread financial risks around. Water line breaks, \$5,000 needed to fix it is a big hit to smaller parks.
 - d. ROC-USA will not do loans to parks with under 25 units.
 - e. CDI has recently turned down parks with less than 20 units.
 - i. There are some mitigating factors

1. Municipal water and sewer
 2. Proximity to other CDI parks.
- f. There are not many large parks left in Vermont that are privately owned, but there are many smaller parks.

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Section IV

Task Force Recommendations Restated

All the recommendations in one place

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Section V
Exhibits

Exhibit 1: Guide to Organizations involved with Housing in Vt

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Exhibit 2: House and Senate districts with the number of homes and parks in each

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Exhibit 3: Screen shots of the Funding Matrix

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Exhibit 4: Guide to Reports & Resources Website Page

What all the files are and why they are there.

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Exhibit 5: Trends in other Housing sectors

