

Report on the Viability and Disaster Resilience of Mobile Home Ownership and Parks



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Introduction

Mobile homes and mobile home parks have long been important components of Vermont's affordable housing landscape. The US Census Bureau reports 22,317¹ mobile homes in the state and the majority of those homes are located on privately-owned or rented property while one-third are located within Vermont's 246 mobile home parks. Increasingly, park closures, sales, infrastructure challenges, and flooding events have demonstrated the vulnerability of this housing stock. Typically, owners of mobile homes and residents of parks have fewer resources with which to manage these dislocations. The Department of Housing and Community Development (DHCD) administers the state's mobile home park laws which serve to protect residents from unjustified rent increases and loss of their homes as a result of the sale or closure of a park. It also conducts an annual survey of parks, and has adopted rules for the warranty of habitability. In Tropical Storm Irene's devastating aftermath, DHCD expanded its work on mobile home park issues to include disaster resilience and began collaborating with the University of Vermont (UVM), which was already engaged in this work.

In 2012, the Vermont General Assembly passed and Governor Peter Shumlin enacted Act 137 which directs the Department to engage in a study to:

1. Develop strategies for improving the resilience of parks to disasters and determine those most vulnerable to natural hazards and other risks;
2. Identify barriers to mobile home ownership;
3. Recommend actions for encouraging resident owned cooperatives or non-profit ownership

to address loss of parks due to sale, closure, or natural disaster

4. Assess potential alternatives to the conventional mobile home that may be more affordable when considering energy, water, sewer, and other costs
5. Propose effective mechanisms for adequate maintenance and safety of park roads and public spaces.

To address these questions, the Department engaged a group of consultants to assist it in the required research. Combined, Paul Luciano, MPH, Dan Baker, PhD, Kelly Hamshaw, MS and Nolan Riegler, JD have extensive experience in disaster recovery, planning and mobile home issues. This report lays out the results of their work as well as recommendations for improving the resilience and viability of mobile home and park ownership. Taken in whole, or in part, DHCD recommends they serve as the basis of efforts to improve the stability of this important segment of the state's affordable housing.

1. U.S. Census Bureau. (2010). American Community Survey 5-Year Estimates for Vermont. Tables D02, DP 03, & HP03.

Executive Summary

Supporting this research and planning process are years of work and data collection. The willingness of all, both in Vermont and beyond, to share their experiences has added to the foundation of knowledge defining the landscape of mobile homes both in and out of mobile home parks² and the myriad challenges inherent to providing safe and socially stable affordable housing for Vermonters. As used in this plan and Vermont law, a mobile home is defined as a HUD-code home (U.S. Department of Housing and Urban Development) or a structure or type of manufactured home and trailer homes built on a chassis prior to the adoption of the HUD code.³

As outlined by Vermont Act 137, the contents of this plan are divided into three main parts. Part I addresses the Legislature's first topic of inquiry, as outlined in Act 137: disaster preparedness and resilience for mobile home owners residing on owned or rented land or on leased lots within parks. Part II is divided into four subsections, each focusing on the remaining four topics: financing challenges, challenges to traditional and alternative mobile home park development, energy efficient alternatives to mobile homes and mobile home parks, and park infrastructure upkeep and maintenance. Part III brings the research together, framing it within the current policy landscape. It outlines some two dozen recommendations to strengthen mobile home ownership and resilience going forward concluding with a brief discussion regarding the relative ease and cost of implementation.

Part I seeks to enhance the preparedness of those living in mobile homes by increasing this community's resilience to the hardships incurred during a natural disaster. Much of this portion of the plan involves an integration of mobile home-specific information into the pre-established programs and planning efforts of emergency management at the town and state level. This integration is highlighted by inclusion of all relevant park-specific information into their respective town's Basic Emergency Operations Plan (BEOP). This annually updated planning and resource tool is the main source of town-specific information used by the State Emergency Operations Center (SEOC) during an emergency event. Additionally, considerations and recommendations specific to mobile homes are included in the recently published revision of the State Hazard Mitigation Plan. FEMA Hazard Mitigation Grant Program funding is being sought to pay for the development of a tracking process for the damage and loss information required in many grant applications that can fund acquisition, infrastructure and flood proofing projects. Building on an extensive outreach program by researchers at the University of Vermont and the Champlain Valley Office of Economic Opportunity's Mobile Home Program⁴ (CVOEO) to residents of mobile home parks on the fundamental tenets of personal preparedness, this section closes with a description of additional opportunities to develop American Red Cross (ARC) shelters with supplies and training specifically aimed for residents of mobile home parks.

2. The mobile home industry has adopted the term "community" to describe mobile home developments. However, the term "park" is used by NFIP and will be used in this document.

3. Sec. 2. 10 V.S.A. Chapter 153. Mobile Home Parks § 6201. Definitions

4. The CVOEO Mobile Home Program is a statewide advocacy group for residents of mobile homes. A description of the program's mission and activities can be found on their website: <http://www.cvoeo.org>

Part I also identifies the risk factors associated with the vulnerability of parks to natural disaster or closure due to other causes. The selection of these risk factors has been developed through case history of park closures, input from several state agencies, academic institutions and local planners. Information associated with the three main risk factors (flood risk, infrastructure and financial state) has been included along with a process for identifying parcels of land where new mobile home parks could be developed.

There are myriad challenges associated with relocating an at-risk mobile home park, including social, financial and land-use issues. In addition to it being very difficult to identify suitable sites, relocations are costly and extremely disruptive to residents and their communities. However, the plan recommends developing a process for identifying developable land suitable for new park development should relocation of parks become feasible. Conducting this analysis ahead of a disaster provides opportunity for dialogue and planning. It also provides an important resource when opportunities present themselves to reduce the vulnerability of park residents.

This section also presents an example of how to use this process of identifying potential local parcels that may provide alternative locations for parks at risk. The example, developed by using parcel data maps and in collaboration with town managers, planners and zoning administrators, identifies where new affordable housing could occur. The process considers the possibility of developing more secure lots within existing mobile home parks as well as potential development of new parcels outside of the high risk area. The example also estimates expenses on a per-unit relocation basis. Also provided are alternative, less costly mechanisms to increase the resilience of existing mobile homes through retrofits and modification, along with estimates of associated costs to support enhanced structural resilience of mobile homes in lower risk areas.

Following a disaster, the timely allocation of assistance funding for both individuals and municipalities is dependent on a thorough knowledge of the requirements and barriers associated with available funding sources. This report includes descriptions of

several FEMA programs that can potentially support and enhance recovery efforts following a disaster. The importance of case management to assist affected homeowners is highlighted. Assuring effective coordination between funding sources, regulatory agencies and people who have had their homes lost or damaged in a disaster remains a crucial and often overlooked component to successful recovery.

Part II of the plan is dedicated to broader issues that impact the affordability and stability of mobile home ownership. It consists of four sections. The first section (“Mobile Home Financing”) provides a description of the mobile home financing landscape in Vermont. Drawing on interviews and reports obtained from state agencies, financing institutions, mobile home dealers, and Realtors, this research identifies factors that have the most impact on financing options. It discusses national trends that contribute to the perception of mobile homes as high risk investments, including depreciation and the unavailability of private mortgage insurance (PMI). The section also summarizes current local, federal, and privately-backed financing options, and identifies two predominant factors—permanent anchoring and ownership of supporting land—that often limit availability of better financing instruments. Its recommendations to improve and expand financing options fall into one of three categories: outreach to individuals wishing to enter the MH market or replace their current homes, achievable policy initiatives that can capitalize on emerging trends within the mobile home market, and efforts to provide a more uniform and predictable landscape for financiers and park owners in the event of a foreclosure.

The second section of Part II (“Barriers to Mobile Home Park Purchase and Development”) includes three themes. First, it provides a brief historical framework for mobile home park development in the state and approximates the costs of new park development and maintenance in light of the priorities identified by the private sector. It concludes that economic reasons are primarily responsible for the lack of mobile home park development. For private developers, mobile home parks represent a capital intensive development that is highly regulated compared to other potential investments.

Next, it focuses on alternatives to private new park development, beginning with a comparison of Vermont's regulations regarding mobile home park sale, conversion, and closure to laws of other jurisdictions. It then discusses a number of other types of park ownership structures, including non-profit ownership, resident ownership through a cooperative corporation, condominium ownership, and ownership as a part of a planned subdivision. Notably, this part provides an overview of the growing resident ownership model widely used in New Hampshire and identifies the factors that have led to its adoption. It also provides an update of the resident organizing and technical assistance efforts currently underway by the Mobile Home Program of CVOEO.

Lastly, it briefly concludes this subsection with a discussion of the variability between numerous municipal regulations regarding mobile home parks.

The third section of Part II ("Mobile Home Innovations and Replacements") summarizes the 2012 Vermont Housing and Conservation Board's (VHCB) Mobile Home Innovations Project, focusing primarily on the economic and legal factors involved in permanent home placement in mobile home parks. It discusses recent efforts in areas of Vermont to encourage alternative types of structures within mobile home parks. It examines cottage zoning as a possible development alternative to mobile home parks. Finally, it describes the Next Step Network, a national program, whose goal is to replace pre-1976 homes with new energy star rated models.

The fourth and last section of Part II ("Park Infrastructure and Maintenance") discusses the hurdles inherent in the oversight of mobile home park infrastructure upkeep and maintenance. It examines Vermont's habitability guidelines in light of a number of other jurisdictions' rules for park infrastructure. Based on this analysis, this section concludes that one way to ensure better compliance would be to have the state increase enforcement, and perhaps the scope, of the habitability guidelines. A number of alternate methods for improved oversight are recommended, including reconvening the State Interagency MHP Compliance Group.

Part III, concluding this plan, outlines the policy recommendations in each section, grouping them based on projected ease and costs of implementation. While the plan does not focus on implementation, it notes where recommendations overlap in scope and how they could be implemented in concert. It also notes where some are currently being pursued.

PART I

A Disaster Resilience Plan for Mobile Homes and Mobile Home Parks in Vermont

DEFINING AND ASSESSING RISK

History has shown that MHPs can be adversely affected by a number of variables, and these variables can work independently or in conjunction with one another. Through collaboration between state agencies, academia and local planners, three criteria have been selected in defining risk for MHs and MHPs.

The risk factors are:

1. Location within the special flood hazard area (SFHA) and fluvial erosion hazard area (FEH).
2. Infrastructure inadequacies (type and permit status of systems, history of violations)
3. Financial risk (small number of lots, increase in vacant lots)

In developing this plan MHP data associated with the descriptions that follow was compiled in a format that allows the user to sort and filter the data variables. Data collected in this MHP Risk Assessment Tool includes parks' relative flood hazard risk (e.g. percent of park in various flood hazard zones), plus the type of infrastructure (e.g. municipal vs. onsite) and existence of permits or violations, and registry information (e.g. size and age of park, vacant lots). A sample of the data collected is shown in Appendix 2: Sample MHP Risk Data showing parks that flooded in 2011 with their respective flood hazard data. Clearly the risk of flooding at all of these parks was high. Knowing this in advance will help park owners, residents and state agencies with preparedness and planning efforts.

Together or independently, these variables can be used to assess the vulnerability of a MHP to natural disaster or a transition—sale or closure—that puts the residents at risk of losing their homes and the state

at risk of losing vitally important affordable housing. State agencies and policy makers could use the MHP Risk Assessment Tool to help identify parks and their associated risk factors when necessary to respond to or prepare for future events, or potential sale of these parks. The following contains a brief explanation of the risks with pertinent suggestions.

Flood Risk

As demonstrated by the magnitude of damage resulting from Irene, Vermont’s risk of flood related natural disasters is high. The University of Vermont (UVM) has determined that nearly 12% of mobile homes in parks are located in flood hazard areas compared to six percent of mobile homes on private land, and four percent of single family homes. Flood hazard data is an important tool for developers, towns and the state, and is available for both inundation and erosion flood risks in many, but not all, areas. Inundation based flooding is typically analyzed using data produced by the National Flood Insurance Program (NFIP). Despite its importance, 82% of Vermont’s stream miles do not have a mapped floodplain and 25% of the state’s NFIP claims are located outside of the 100-year floodplain.⁵ Recent emphasis on the impact of fluvial erosion hazard (FEH) areas has resulted in creation of river corridor mapping, which delineates an avoidance corridor based on a river’s propensity to move and adjust to changes in the watershed. Twenty municipalities have adopted river corridor protection bylaws and 48 have adopted floodplain protection bylaws that exceed the minimum NFIP requirements as of December 2012.⁶ Consistent with the January 2013 Act 110 report to the General Assembly by the Agency of Natural Resources, this plan supports the concepts of avoidance and no adverse impact relating to FEH areas and inundation flood hazards. Many groups in the state are working on flood vulnerability. For example, Agency of Natural Resources Secretary Deb Markowitz and the Vermont Land Trust are working on an initiative that will reduce downstream

flood vulnerability and are investigating acquisition and relocation opportunities. Additionally, the State Hazard Mitigation Officer routinely works with the DEC Rivers Program and municipalities to identify acquisition and relocation opportunities, and mitigative infrastructure projects. The DHCD is using Community Development Block Grant Disaster Recovery funds to support the relocation of structures in hazardous areas and the restoration of floodplain.

An analysis by UVM researchers found that mobile homes, whether in a park or placed on private land, are more likely than permanent structures to be located in a flood hazard area.⁷ Using a GIS overlay analysis technique, the UVM research team compared the locations of the state’s 246 parks relative to the most current floodplain data available. They found 50 parks with at least one home located in the floodway, 100-year floodplain, or 500-year floodplain. Table 1 shows the number and percentage of MHPs in the floodway, 100-year and 500-year floodplain. The floodway is an area of the FEMA mapped floodplain where the swiftest and deepest floodwaters are typically experienced. The 100-year and 500-year floodplain is the area that would be expected to have a 1% or 0.2% annual chance of flooding in any year, respectively.

TABLE 1
Mobile Home Parks with Homes in Floodplains
(From Baker, Hamshaw, & Hamshaw, 2013)

Highest Flood Hazard Zone Within Park	Number of Mobile Home Parks	% of Mobile Home Parks
Floodway	15	6.1%
100-Year Floodplain	30	12.2%
500-Year Floodplain	5	1.6%
None	196	79.7%
TOTAL	246	100.0%

The floodplain analysis also focused specifically on mobile homes in parks. The results summarized in Table 2 indicate that there is a much greater likelihood that a MH in a park is located in a flood hazard area

5. Rob Evans, ANR River Corridor and Floodplain Manager.
6. Appendix 1a in the River, River Corridor, & Floodplain Management Programs, Biennial Report to the General Assembly Pursuant to Act 110. Vermont Department of Environmental Conservation.

7. Baker, Hamshaw, and Hamshaw. (In Press). Rapid Flood Exposure Assessment of Vermont Mobile Home Parks Following Tropical Storm Irene. Natural Hazards Review.

TABLE 2
Comparison of Mobile Homes in Parks to Other Housing Types by Flood Hazard Area

Flood Hazard	Number of Mobile Homes located in Parks	% of all Mobile Homes located in Parks	Number of Single Family Homes	% of Single Family Homes	Number of Mobile Homes on Private Land	% of Mobile Homes on Private Land
Floodway	140	2.0%	717	0.4%	91	0.6%
100 Year Flood or River Setback	562	7.9%	5,811	2.9%	801	4.9%
500 Year Flood	125	1.8%	1,419	0.7%	140	0.8%
None	6,278	88.3%	189,648	96.0%	15,444	93.7%
Total	7,105	100.0%	197,595	100.0%	16,476	100.0%

compared to all single family homes in the state or other MHs on private land. Whereas 6.3% of MHs on private land are located within flood hazard areas, 11.7%, of mobile homes in parks face that risk, nearly doubling the risk. In fact, seventeen mobile home parks were flooded due to Irene, and 15% of all homes damaged were mobile homes. Compared to all single family homes, the difference approaches a three-fold increase in risk. Table 2 details the flood risks of Table 1 and provides a comparison between the numbers of MHs in parks, on private (owned or leased) land with the number of single family homes and multi-family homes, providing overall percentages for each.

The FEH Zone data source developed by the Agency of Natural Resources (ANR) provides a central repository of all available FEH mapping that has been done to date in the state. ANR is currently working towards a goal of creating river corridor plans with fluvial erosion hazard zones statewide as part of its surface water management strategy. FEH ratings range from Very Low to Extreme. This mapping is done at the individual river/stream reach scale; therefore, only specific sections of the river may currently have mapped zones for some rivers or watersheds. It is therefore difficult to determine whether a MH is in an FEH zone if there is no mapping available when performing a GIS analysis. Table 3 provides an analysis of the number of MHs in parks by FEH risk based on the FEH mapping currently available.

In defining a protocol for identifying areas at highest risk of flooding, MHPs can be sorted by the number of lots located in a Special Flood Hazard Areas (SFHA)

TABLE 3
Mobile Home Parks by FEH Zone

FEH Zone	# of Mobile Home in Parks
Extreme	55
Very High	47
High	66
Moderate	0
Low	0
Very Low	0
TOTAL	168

and FEH area or the percentage of lots located in these areas. While the number of lots can help to determine the magnitude of risk to health and safety, the percentage of lots can allow for a risk determination specific to the functionality of the MHP. Removing MHs and MHPs from areas of high flood and erosion risk would be ideal. However this endeavor is very costly and disruptive to residents and the methods that would be used to protect homes from inundation hazards would be different than those used in a FEH. Specifically, protection from inundation flooding would include elevation, anchoring, relocation and dry/wet floodproofing whereas protection from erosion hazards would include relocation of structures/infrastructure or setback from the river to protect from lateral adjustment of the stream. Preparedness planning coupled with targeted mitigation and floodproofing measures may more practically serve to enhance the safety and continued viability of MHPs in the state, although

opportunities to relocate or expand the park outside of the FEH or SFHA should be utilized when feasible.

Infrastructure Risk

Infrastructure deficiencies, particularly drinking water and wastewater systems, can be extremely costly to address as mobile home parks age. In many cases, costly infrastructure issues can cause park owners to issue a park sale or closure notice, or even face foreclosure. These circumstances place mobile home owners in a vulnerable situation as habitability issues may not be addressed in the short term while the long-term future of the park remains uncertain.

Assessing the status of water infrastructure in a park is possible using data made available by the Drinking Water and Groundwater Protection Division (DWGPD) of the Vermont Department of Environmental Conservation (DEC). The DWGPD administers both the Public Water Supply System program which applies to larger water systems and the Regional Office Program which administers potable water permits on smaller systems. The U.S. Environmental Protection Agency and DWPGD classify a water system as a Public Water System if it serves at least 25 people or 15 service connections for at least 60 days per year.⁸ Mobile home parks with 15 connections or home to more than 25 individuals must comply with the maximum contaminant limits, monitoring, reporting, and treatment requirements set forth by the National Primary Drinking Water Regulations unless the water system of the park is part of a municipal water system. Seventy-five of Vermont's 246 mobile home parks have such regulated public water systems. The remaining parks are either part of a municipal water system or have a Small-Scale potable water system.

For this analysis, each park with a regulated water system was examined for the number of health-based, treatment, and monitoring violations since January 2010. Parks with repeated violations would indicate

a possible health risk has occurred in the park or there has been mismanagement of infrastructure. Water supply infrastructure concerns for parks with fewer than 25 residents or 15 service connections are very difficult to assess as there is no comprehensive monitoring program for these water systems. The permitting process for the Potable (Non-Public) Water Supplies that serve many of the smaller mobile home parks in Vermont are administered by the Regional Office Program. The majority of these systems do not have monitoring requirements associated with their permits and assessing water system condition is difficult. Without residents raising concerns with park owners, state agencies, health officers or the staff at the CVOEO Mobile Home Program, water system deficiencies may continue to be unknown.

The DWGPD also periodically surveys the Public Water Systems for system condition and connections. By comparing the current Mobile Home Park Registry data for reported lots within MHPs with the DWGPD list for Public Water System connections, information on potential underreporting by park owners for the purpose of avoiding regulation can be made known as well as provide an indication of the ability of a mobile home park to potentially increase the number of MHs located within it when the number of lots reported is less than the number of water connections.

Similar to water systems, wastewater systems in parks can be costly to replace and maintain. At least 118 of Vermont's MHPs have on-site wastewater disposal systems. Parks with older on-site disposal systems are at higher risk if the wastewater system fails because they are not "grandfathered" from current regulations which have more strict design standards regarding design of wastewater systems than may have been in place when the system was first constructed when applying for a permit to repair or replace the failed system.

Mobile Home Park infrastructure improvement projects have taken place in the state in some municipalities and in some nonprofit owned parks, largely funded by the Vermont Community Development Program with federal Community Development Block Grant funds, financing from the Vermont Housing Finance Agency and state funding from

8. Vermont Drinking Water and Groundwater Protection Division. July 2012. Annual Report on Public Water System Violations. Accessed from <http://drinkingwater.vt.gov/wqmonitoring/pdf/2011annualreport.pdf> on 3/16/2013

the Vermont Housing and Conservation Board. Additionally, park owners can apply for funding through the DWGPD for improvements to water distribution systems, which works from a funding priority list set by income level of the community.⁹ Up to 30% of total project cost can be obtained with grant funding. Vermont Rural Water Association can provide surveys as well as offer technical assistance and case management with water and sewer projects.

By working with the agencies mentioned above it is possible to identify MHPs that may be underreporting lots to avoid regulations or that are below threshold, an increased understanding of the infrastructure landscape in MHPs can be obtained. Any case management efforts should include DEC awareness and communication and actively engage with area town health officers and CVOEO in working to address existing problems and utilize current resources and mitigation strategies available in the state.

Financial Risk

As with many businesses, MHP economic fortitude can be influenced by a range of factors.

Historically, however, small, older parks have been more likely to close.

Smaller parks (less than 10 lots) are more vulnerable to minor economic variations and have a higher incidence of closure compared to larger mobile home parks. Increases in the number of persistently vacant lots in a park may be a cue for further investigation. Lack of any rent increases, and failed attempts to sell are also signs of instability. By monitoring these factors, intervention strategies have a higher chance of preventing closure of the park and/or can ease the transition for residents with timely planning efforts. This information is collected by the DHCD via its annual MHP registration. Changes in risk factors in MHPs could be shared with organizations and case management teams throughout the state to allow early intervention when potential closure situations occur.

9. Vermont MHP in Waitsfield is a current example and CVCLT manages the park.

By defining risk and knowing the areas that are at risk given the parameters contained in this plan, the opportunity for future decisions becomes greatly enhanced as the foundation for future intervention, planning and mitigation efforts has been created.

Included in this plan are case studies from around the country and in Vermont. They serve as examples of creating mobile home parks as interim housing options and efforts to redevelop mobile home locations out of high-risk areas using two main conduits of funding (HMGP and CDBG) and FEMA assistance immediately following a disaster. The studies contained herein are considered special examples in their ability to portray the magnitude of opportunity in their given situations and highlight some crucial considerations that must be made when looking at solutions for MHs and MHPs in high-risk areas. The first of these studies is included below and details a FEMA-led program that works to select parcels of land, develop a parcel or parcels to support new MHP, and move displaced residents in within two months of the declared disaster date. FEMA did not implement a similar program in Vermont following Irene, as it and the state determined this type of interim housing was not necessary. However, many, if not all, the questions raised by FEMA in Case Study #1 will have to be considered when looking at the feasibility of relocating a MHP in Vermont.

Recommendations

- » Maintain and make publicly available the Mobile Home Park Risk Assessment Tool.
- » Clearly specify the state's priorities for funding replacement, development, preservation, or relocation of parks at risk in the HUD Consolidated Plan.
- » Seek opportunities to relocate or create new lots when high risk parks are in transition through sale or closure processes.
- » Work with owners of high risk parks to identify potential reconfigurations or expansions to remove homes from flood hazard areas.

CASE STUDY #1

Pennsylvania Relocation and New Park Development

After Tropical Storm Irene, the state of Pennsylvania worked with FEMA, under the Direct Housing Program to establish new parcels for temporary (18 month) mobile home park development. This effort was in response to the need to develop additional temporary housing options for households displaced by the storm. Within 2 months after declaration, the new parcel had been fully developed and people moved in. Historically, the developed infrastructure remains, but there have been examples where the infrastructure was also removed. When determining whether to implement the project, FEMA asked the following questions:

- Will financial assistance assist disaster survivors with their rental needs?
- If the rent is too high in the disaster area, will raising the rental assistance aid in finding housing to meet the rental costs?
- How long will it take to make repairs, if repairable, and is repairing realistic?
- Have cluster areas been identified where housing does not exist?
- Will relocation affect how children get to school?
- Are the proposed parks close to public transportation, doctors, grocery stores and other services?
- Will children be able to attend and be bused to original school even if they now live out of the district?
- Will relocation adversely affect commute times to work?
- Are there Hotels/Motels close to the affected areas for people to commute to schools and work?
- Can we implement repairing properties for people to move in quickly?
- Will the state approve use of Temporary Housing Units (THU's)?
- Are there available empty pads in commercial parks to place THU's?
- Will the empty lots meet electrical requirements (200A)?
- What size are the lots? Will the lot fit a 40 ft. or 64 ft. FEMA THU?
- Are there abandoned existing mobile homes on pads that would need to be removed and will the park owner remove them?
- Is there property available to build a FEMA group park not located in a flood zone?
- If approved for use, is there property close to the impacted areas large enough to house all affected disaster survivors (40, 100, 200 etc.)?
- Will smaller pieces of land work better for the impacted areas that would fit (5, 15, 20) THU's?
- Will construction of a group FEMA built park begin in the winter or summer?
- Can the state waive some permits since the disaster housing is for temporary use (not needing to pour piers 48 inches deep under the THU etc.)?
- Are there available utilities close enough to the pieces of land that can reasonably and economically viable to connect to?
- Will the land owner donate the property for use?

PARCEL IDENTIFICATION

Process

Similar to the questions raised by FEMA in the Pennsylvania Case Study, identifying suitable parcels of land that can support a MHP development in Vermont must take into account myriad factors, many of which relate to maintaining the same, or better, quality of life for displaced residents. The following provides a suggested methodology for defining parcels that can be used to support development of affordable housing when an established MHP within a given municipality is closing or in need of relocation. These parcels may also serve as locations for temporary housing developments following a disaster. In the absence of a methodology such as this, municipal-level data, the Vermont Land Trust and/or real estate organizations have been used to identify suitable parcels for MHP development in the past. The Vermont Agency of Transportation in 2013 allocated funds for a two-year project to bring all local parcel maps to a common, digital standard. Such efforts will allow for greater ease of parcel identification for potential MHP development.

PARCEL ANALYSIS METHODS

Given available data sets and the unique characteristics of a MHP, the following criteria were used in identifying potential parcels for creation or relocation of a MHP (all of the data sources are readily available for use in a GIS analysis method):

- In a zoning district approved for MHPs
- Lot size greater than minimum requirements for MHP in zoning regulations of town
- Developable portion of lot is not located in a Fluvial Erosion Hazard (FEH) zone or in a FEMA designated floodplain. In areas where FEH data is not available, the parcel is to not be located within an ANR recommended stream setback of 50 or 100' depending on the size of the river.

- Median slope of the parcel must be less than 25%
- Not located on Prime Agriculture soils
- Located within 10 miles of existing park
- Proximity to a Municipal Water District
- Proximity to a Municipal Sewer District or on soils suitable for on-site disposal systems.
- Proximity to major road/public transportation

DATA SOURCES

GIS data sets available from Vermont Center for Geographic Information (VCGI), UVM, and the Regional Planning Commissions were utilized in developing this suggested method of parcel identification. The data sources used in the parcel identification analysis in addition to the typical base map data were:

- Municipal zoning data
- Municipal parcel data
- E-911 Site Data
- Water District Areas
- Sewer District Areas
- Slope derived from 10m USGS Digital Elevation Model
- Soils suitable for On-Site
- Prime Agriculture Soils
- Flood Hazard Areas
- Fluvial Erosion Hazard Zones
- ANR Recommended River Setbacks
- Mobile Home Parks

EXAMPLE APPLICATIONS OF PARCEL SELECTION

The proposed parcel identification method was applied to the towns of Berlin and Bennington as an illustration of the process. The first step in the process was to identify zoning and planning regulations for MHPs that are specific to these towns.

Town of Berlin

To illustrate the effect of the different requirements and criteria on potential parcels, the remaining number of parcels has been reported for each step in the GIS analysis. Table 4 shows the number of parcels remaining as criteria are added to the search process.

For the Town of Berlin, Table 5 lists the potential parcels that resulted from the parcel identification analysis. Three parcels were identified using the criteria above and shown on the parcel analysis map. All three parcels were within proximity to municipal water and sewer district areas.

Figure 1 is a map detailing the parcel selection process for Berlin with color rankings for both FEH and Flood Hazard Area risk.

TABLE 4
GIS Results for Berlin Parcel Analysis

GIS Analysis Steps (Based on 2005 parcel data)	Remaining Number of Parcels
Entire Town	1460
Only Medium Density Residential	33
Only Parcels over 5 acres	14
Remove river/utility parcels	12
Not in a Floodplain/FEH Zone	10
Remove Already Developed parcels	5
Remove Parcels on Prime Ag Soils	3
Within Sewer District or on Suitable On-Site Disposal Soils	3
Remove Parcels with Median Slope >= 25%	3
Only Parcels available for Development/ Subdivision	3

FIGURE 1
Initial Parcel Analysis for Town of Berlin

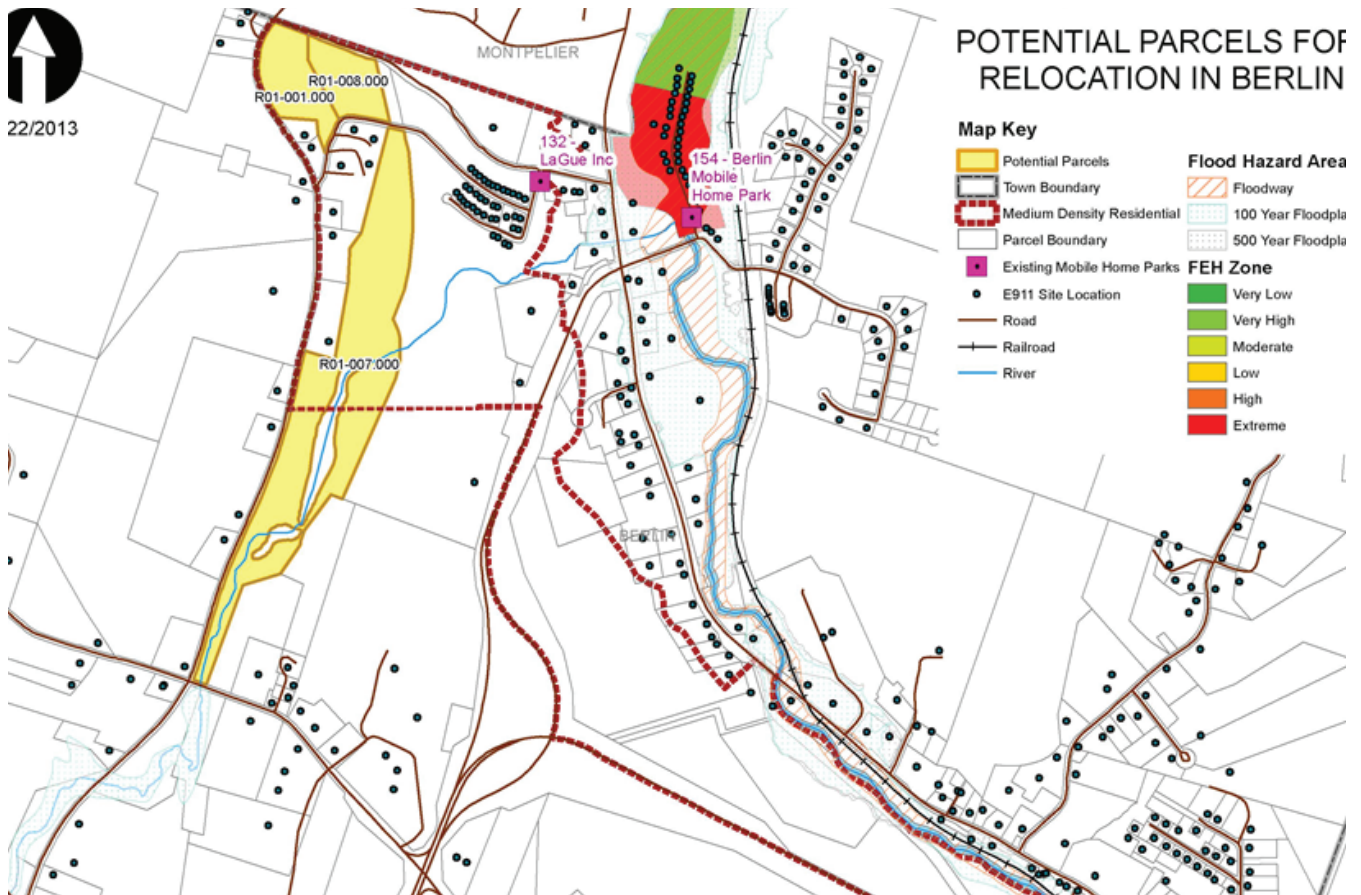


TABLE 5
Berlin Parcel Identification

Parcel Number	Size (Ac)	Proposed Ranking	Maximum Number of Possible Lots	Notes
R01.001.000	8.08	1	29	
R01.008.000	6.50	2	23	Power lines cross parcel
R01.007.000	41.37	3	66	Stream crosses parcel, furthest from utilities, majority of parcel outside medium density residential

The Town of Bennington

To illustrate the effect of the different requirements and criteria on potential parcels, the remaining number of parcels has been reported for each step in the GIS analysis. Table 6 shows the number of parcels remaining as criteria are added to the search process.

Table 7 lists the potential parcels that resulted from the parcel identification analysis. Nine parcels were identified using the criteria above and shown on the parcel analysis map. The five highest ranked parcels were within proximity to municipal water and sewer district areas.

Figures 2 and 3 detail the parcel selection process for Bennington with color rankings for both FEH and Flood Hazard Area risk.

TABLE 6
GIS Results for Bennington Parcel Analysis

GIS Analysis Steps (based on 2008 parcel data)	Remaining Number of Parcels
Entire Town	5897
Only Rural Residential	948
Only Parcels over 10 acres	61
Remove Parcels with median Slope \geq 25%	61
Not in a Floodplain/FEH Zone	37
Within Sewer District or on Suitable On-Site Disposal Soils	35
Remove Parcels on Prime Ag Soils	17
Only Parcels Available for Development/ Subdivision	9

TABLE 7
Bennington Parcel Identification

Parcel Number	Size (Ac)	Proposed Ranking	Maximum Number of Possible Lots	Notes
59-20-21	10.49	1	40	Next to Gore Road MHP
59-50-22	56.01	2	224	
59-50-03-01	27.87	3	108	
09-01-06-00	10.33	4	40	
09-01-02-00	41.56	5	80	Bypass R.O.W. across parcel
30-50-27-00	20.63	6	80	Narrow Parcel
23-50-06-00	37.51	7	64	Single Family Homes, Railroad R.O.W
23-50-12-00	29.67	8	112	Single Family Home, Railroad R.O.W
23-50-13-00	39.31	9	112	Single Family Home, Railroad R.O.W

FIGURE 2
Initial Parcel Analysis for Town of Bennington Part 1

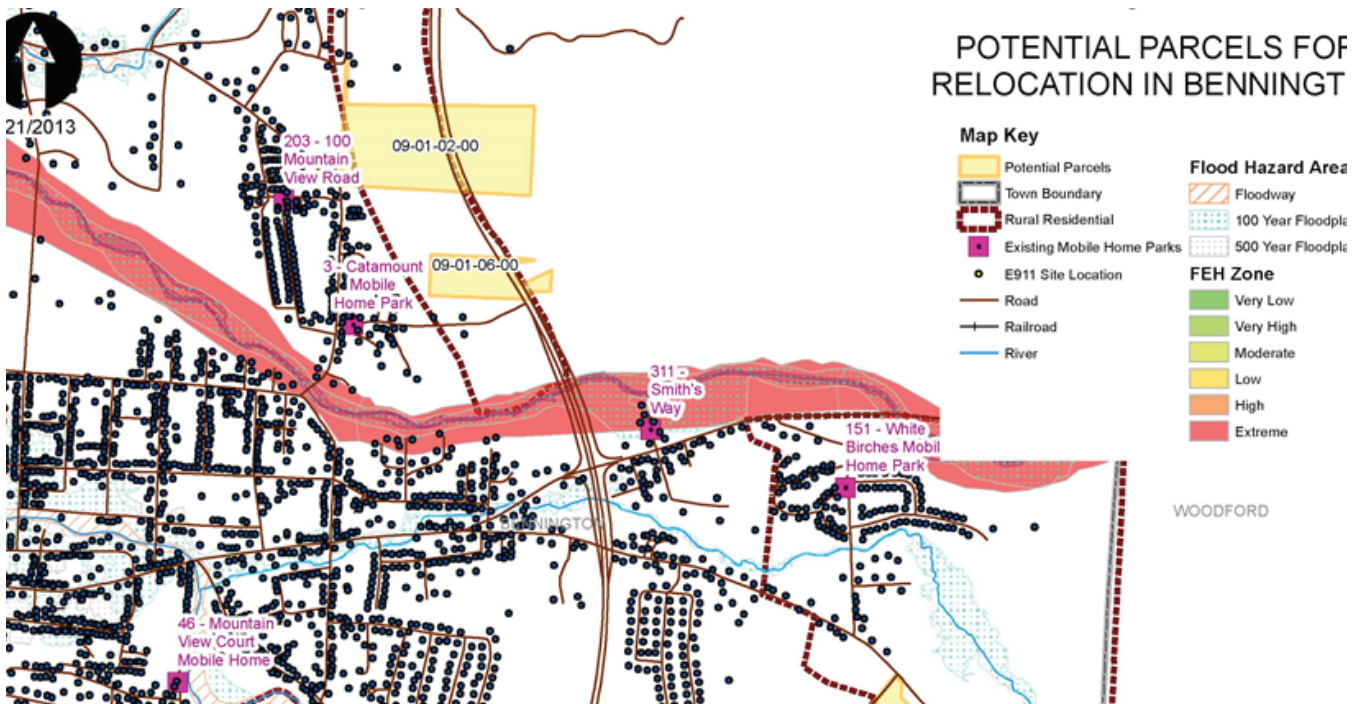
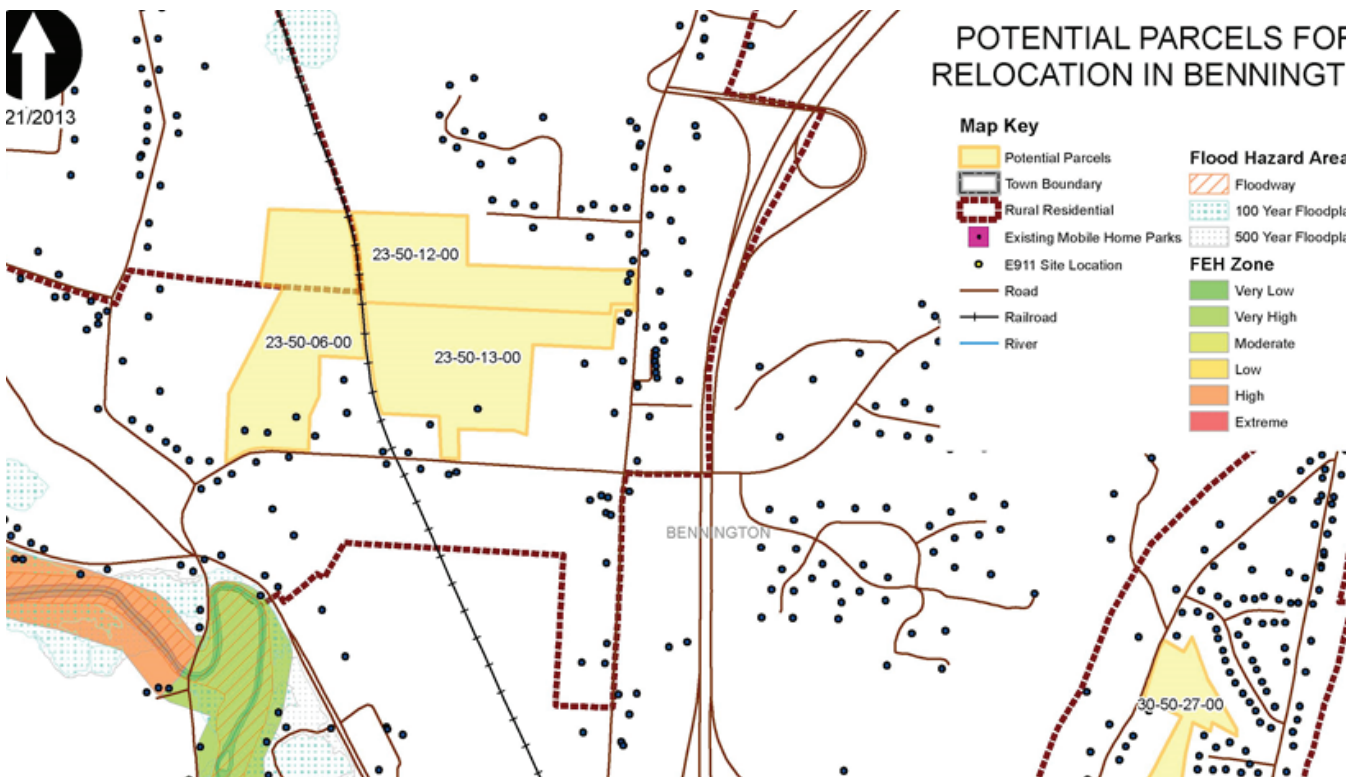


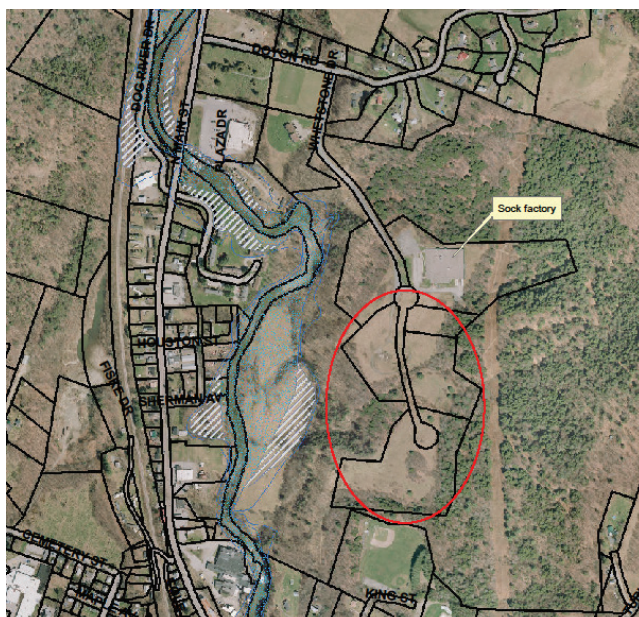
FIGURE 3
Initial Parcel Analysis for Town of Bennington Part 2



Town of Northfield

In addition to the GIS mapping methodology, working directly with municipalities for parcel identification is likely to provide results. This was shown highly effective in the Town of Northfield. Working with the town's zoning and planning administrator (ZPA), a request was made to identify potential parcels. Within a few days, the ZPA identified two specific parcels of land which generally met the criteria. One of them was a largely undeveloped industrial park, out of any flood hazard area, on municipal utilities, and close to the village. The second parcel, located further out of town without public utilities, was also mentioned due to the possible interest of the land owner in developing housing. Local officials, however, may not always have time or staff capacity to oversee a large project and this was pointed out clearly by the ZPA.

FIGURE 4
Initial Parcel Analysis for Town of Northfield

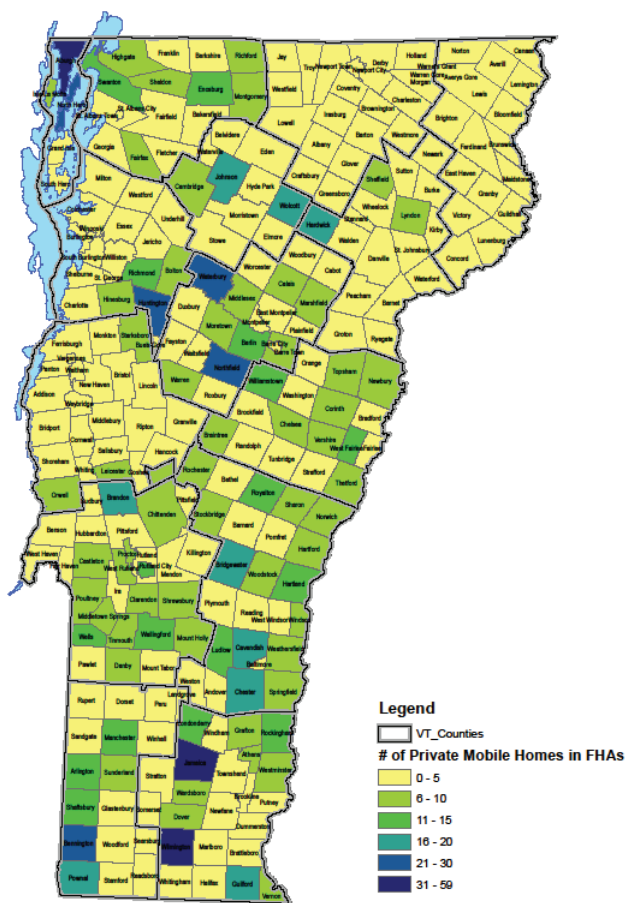


While the level of detail obtained from the Northfield ZPA should not be expected in every circumstance, the importance of early communications with town-level staff during a parcel identification process cannot be understated.

MOBILE HOMES ON PRIVATE LAND

Roughly 66% of Vermont's mobile home residents live outside of parks.¹⁰ By focusing efforts in areas with the most at-risk MHs, the parcel identification process remains similar to the identification process for MHPs. Figure 5 is a map providing the range of private MHs by town in the flood hazard area.

FIGURE 5
Map of Private MH located in Flood Hazard Areas



Case Study #2 looks at two attempts to identify and develop alternative parcels for MHP relocation in Vermont, including one immediately after Irene. As explained, lack of municipal infrastructure and environmental limitations can be significant barriers to development.

10. US Census Bureau. (2010). American Community Survey 5-Year Estimates for Vermont. Tables D02, DP 03, & HP03.

CASE STUDY #2

Challenges of Developing New MHPs

While most national examples of mobile home park “relocation” do not involve new park development, there have been efforts to build “replacement” parks in Vermont. In 2007 the Housing Trust of Rutland County (HTRC) was approved by residents to buy a mobile home park in Clarendon that was for sale, and intended to relocate the park due to infrastructure problems. Land was purchased but the Trust found it couldn’t be developed due to wetland and other infrastructure barriers. The park ended up being closed by the owner, and HTRC sought and obtained a VCDP grant to relocate the residents.

After Irene, the Upper Valley Housing Coalition knew that folks were displaced and sought to create better and safer housing. Irene Cottages was one part of that effort. The Upper Valley Land Trust suggested parcels for ideal sites. A site was

identified in Hartford that was nearly ready to go with infrastructure and roads, municipal water and sewer available and zoned for up to 18 lots. The landowner was willing and excited at the prospect of a new park. However, due to the cost of the parcel and concerns about low housing demand, efforts were focused on other areas, particularly in nearby Sharon.

The Sharon site was not as ready but seemed like a possibility. The Sharon Selectboard and townspeople were behind getting new lots identified on a piece of land along the river. Initially, concerns about the lack of municipal water and sewer at the site delayed further consideration. As of this writing, however, the Town and local housing nonprofit are planning to apply for CDBG Disaster Recovery funds to determine the feasibility of developing replacement housing at that location.

Information provided by Elisabeth Kulas, Executive Director, Housing Trust of Rutland County, Inc. and Anne Duncan Cooley, Executive Director, Upper Valley Housing Coalition.

Recommendations

- » Establish a process for identification of land out of flood hazard areas in existing parks where lots could be developed and alternative parcels for new mobile home parks when an opportunity arises.
- » Work with Regional Planning Commissions to address inconsistencies within and among municipal mobile home park regulations and determine the effect, if any, on further development.

RELOCATION AND ACQUISITION

Historically in Vermont, “relocation” has not meant the identification and development of new parcels for MHP replacement. Vermont has used CDBG funds to relocate residents of parks closed voluntarily by the park owner or as the result of infrastructure failures but not due to a disaster. However, information from other states shows that when a MHP closes due to a disaster and residents are relocated, both Hazard Mitigation Grant Program (HMGP) and Community Development Block Grant (CDBG) can serve as the major sources of funding and are often jointly involved in the same projects. In a relocation effort, the original MH may be demolished or moved to another location. For instances involving demolition, the resident is given the opportunity to move to a rental unit or purchase a mobile home or single-family home. While demolition costs remain relatively stable at about \$5,000, the cost can double when there are additional environmental concerns such as asbestos.

Based on the costs experienced in the deconstruction project for MHs destroyed by Tropical Storm Irene, further described in the “Response and Recovery” section, these are estimates of costs associated with the different avenues a resident can take if faced with relocation under three possible scenarios. It is important to notice the magnitude of funds required to relocate a resident’s mobile home compared to purchasing a new home:

COST ESTIMATES ASSOCIATED WITH RELOCATION

SCENARIO 1

Household opts to move to rental unit

Removal of Old Mobile Home: \$5,000
(+approximately \$3,000 when asbestos is present)

Moving Expenses: \$1,000

TOTAL: \$6,000-\$9,000 per household

SCENARIO 2

Household moves to another MHP with current Mobile Home

Moving Expenses: \$1,000

Cost of Moving Mobile Home: \$4,000-\$12,000

TOTAL: \$5,000-\$13,000 per household

SCENARIO 3

Household buys a mobile home or single family home

Removal of Old Mobile Home: \$5,000
(+ up to \$3,000 when asbestos is present)

Moving Expenses: \$1,000

Down payment assistance: \$35,000

TOTAL: \$31,000-\$34,000 per household

Another resource to estimate the cost of relocating is the average cost of several relocation projects using CDBG funds in Vermont. These grants typically have included individualized relocation plans based on each household’s particular circumstances. As shown in Table 8 below, the average cost per household was approximately \$18,000 and of that roughly 70% of each grant went directly to relocation assistance.

Table 8 shows the number of occupied vs. total lots as they relate to the total CDBG grant amount, relocation assistance and cost per household.

TABLE 8
State CDBG Funded MHP Closure and Relocation Grants

	Total lots	Occupied	Grant amount	Relocation	Percent for relocation	Per household
	27	14	\$ 270,200	\$ 190,557	71%	\$ 19,300
	25	23	\$ 410,000	\$ 256,675	63%	\$ 17,826
	35	30	\$ 577,610	\$ 396,000	69%	\$ 19,254
	14	11	\$ 225,500	\$ 160,000	71%	\$ 20,500
	7	7	\$ 98,690	\$ 73,500	74%	\$ 14,099
	14	10	\$ 134,600	\$ 114,900	85%	\$ 13,460
TOTALS	122	95	\$ 1,716,600	\$ 1,191,632		
AVERAGES					69%	\$ 18,069

Most recently, in 2007, the Rutland County Community Land Trust received CDBG funds to relocate 10 households (HH) in Clarendon, Vermont. The funds were allocated to the following:

- Demolition/Clearance
- Down payment/Purchase Assistance
- Housing Counseling
- Advocacy and Services
- Program Management
- General Administration

Figures 6 and 7 provide a look at how the residents of these parks fared after park closure in terms of whether the mobile home was removed, relocated or sold, and the type of housing ultimately obtained by the household.

COST ESTIMATES FOR NEW PARK DEVELOPMENT BASED ON HISTORIC REHABILITATION COSTS

Few new mobile home parks have been developed in recent years, but a rough approximation of what it might cost to build a new park could be achieved based on the costs for purchase and rehabilitation of MHPs experienced by nonprofits. Figure 8 is a graph representing non-profit MHP development costs from 1997-2007 in Vermont.

FIGURE 6
Disposition of Mobile Homes After Park Closure

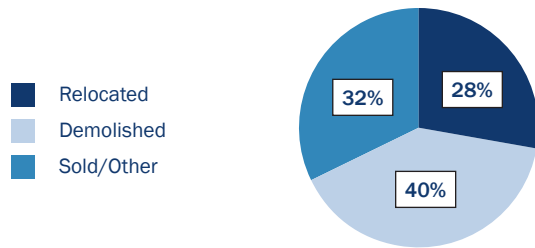


FIGURE 7
Type of Housing Obtained by Households

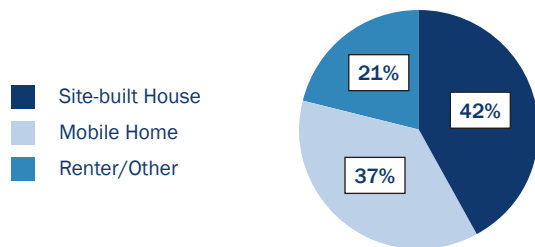
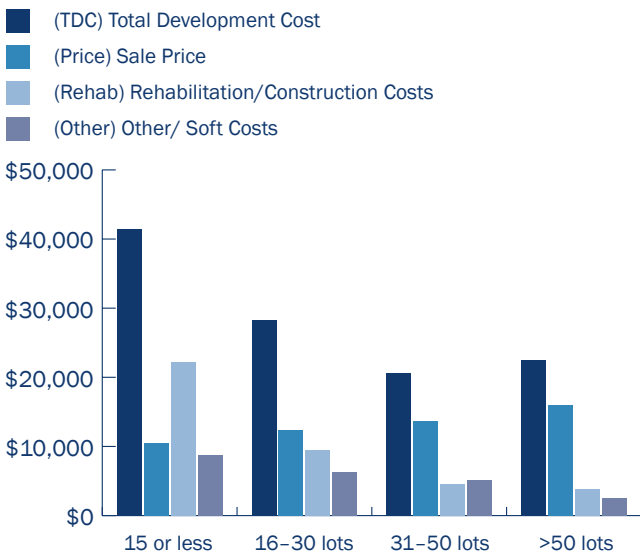


FIGURE 8
MHP Development Costs in Vermont



Average MHP per lot	15 lots or less	16-30 lots	31-50 lots	>50 lots
TDC	\$41,510	\$28,205	\$21,826	\$23,658
Price	\$10,550	\$12,359	\$12,112	\$16,550
Rehab	\$22,179	\$9,490	\$5,004	\$4,749
Other	\$8,739	\$6,356	\$4,710	\$2,359

EXISTING OPPORTUNITIES WITHIN PARKS

Available lots and developable land within existing parks should be explored in certain circumstances. The annual MHP registration maintained by DHCD includes vacant lot information. Development of new lots within parks requires a case-by-case analysis of the feasibility of permitting requirements and benefit-to-cost ratio.

FUNDING CONSIDERATIONS

As federal housing and community development programs are being reduced, there are typically few public resources with which to fund the relocation and redevelopment of mobile home parks. However, the current availability of FEMA HMGP and CDBG Disaster Recovery funds presents a limited opportunity. HMGP funds have been pursued for the

buyout of a mobile home park damaged by Irene and a number of planning proposals designed to help make mobile parks safer. DHCD plans to use CDBG Disaster Recovery funds for the buyout of a mobile home park that was determined ineligible for HMGP and has invited an application for the development of a replacement park. The Department also hopes to receive an application for the relocation of residents that remain in a partially-closed flood damaged park.

An important consideration whenever federal funds are involved in a project in which residents are displaced or relocated, is the Uniform Relocation Act (URA). The URA ensures and requires residents are assisted with the relocation consistent with federal standards. It can significantly increase the cost and complexity of a relocation project and legal advice is strongly recommended. However, case managers who successfully completed URA training reported success in understanding applicable URA requirements. A HUD relocation specialist can also be used when URA is invoked.¹¹ It is important to note that the CDBG-funded relocations mentioned above did not activate URA, because it was the action of the park owner issuing a park closure notice that caused the dislocation, and not the use of federal funds for the relocation.

MOBILE HOMES DECONSTRUCTION AND WASTE CONCERNS

The deconstruction and removal of mobile homes is a necessary part of relocation efforts. While the quality of mobile homes has improved greatly over the years and is anticipated to greatly extend their useful life, Vermont still has many homes that are likely to “age-out.” Research done at the University of Vermont found that more than 20% of mobile homes surveyed were more than 35 years old, pre-dating the first HUD standards that established minimum standards for mobile home construction. In addition, disasters such as floods, wind damage or earthquakes greatly decrease the useful life of mobile homes, either through outright destruction or by damaging the structure.

11. HUD Region 1 Relocation Specialist is currently John Laffan, (212) 542-7416

Following Tropical Storm Irene Vermont Lt. Governor Phil Scott and ACCD Secretary Lawrence Miller developed a plan to remove destroyed mobile homes from mobile home parks in bulk and reduce the cost of removal. The estimated cost to deconstruct mobile homes one at a time was up to \$8,000, depending on factors including whether asbestos was present in the construction. By deconstructing in bulk using heavy equipment the cost could be reduced; and fundraising allowed the project to cover the cost so that ultimately 68 mobile homes were removed in bulk from six mobile home parks at no cost to the mobile home owners.

An estimate of the cost of deconstructing old mobile homes is shown below in Table 9. This table uses the average deconstruction costs of \$2,941.56 from Tropical Storm Irene and assumes that the distribution of age classes will be the same as that found by UVM in their statewide survey. These figures also assume that deconstruction is done in groups and benefits from economies of scale. The costs for homes deconstructed singly may be higher. For example, assuming that all homes built before the 1976 HUD regulations located in floodways are deconstructed, the total cost would be \$92,659 for this project. If all homes older than 1976 were deconstructed in all flood hazard areas the cost would be \$548,969. This does not include the cost of replacement homes.

TABLE 9
Cost of Deconstruction

Age Category	Floodway		100-year Floodplain or River Setback		500-year Floodplain		Cost to Deconstruct all Homes in Age Category
	Number of Homes	Cost of Deconstruction	Number of Homes	Cost of Deconstruction	Number of Homes	Cost of Deconstruction	
Older than 1976 (22.5%)	32	\$92,659	127	\$373,578	28	\$82,731	\$548,969
1976–1993 (46.4%)	65	\$191,084	261	\$767,065	58	\$170,610	\$1,128,759
1994–2011 (31.0%)	43	\$127,664	174	\$512,479	39	\$113,985	\$754,128
Total	140	\$411,407	562	\$1,653,121	125	\$367,327	\$2,431,855

TRANSPORTING MOBILE HOMES

There are several variables associated with moving mobile homes. Size, additional construction, axles, brakes and hitches are some of the common factors that can increase cost of transporting a mobile home. In some cases mobile homes can't be safely moved, particularly if they've "aged out" of their useful life. Parks may not allow older mobile homes to be moved into vacant lots in the park. Estimates from a current transport company have provided the range of costs incurred depending on the variables (and others) mentioned above. The itemized costs, in the minimum estimate includes:

SINGLE-WIDE

- Service Labor (Get Home Ready to Move): \$400
- Delivery Only per Section: \$500
- Manufactured Home Set-up (Block, Level, Tie Down, Skirt Home, Hook-up Utilities): \$1,600
- 1 Oversize Load Permit Fee: \$100

- Materials (Footer Pads, Cap Boards, Shims, Tie Downs, Skirting, Blocks): \$1,975
- Fuel Surcharge: \$400

Total: \$4,975

DOUBLE-WIDE

- Get Home Ready to Move: \$900
- Install and Remove Axles: \$1,500
- Lower and then raise 5/12 Pitch Roof: \$2,400
- Delivery Only per Section: \$1,000
- Set-up Fee Manufactured Home Set-up (Reset Double Wide, Block Level, Cap, Install Skirting, Tie Down, and Hook-up Utilities): \$2,250
- Permit Fee Oversize Load Permit Fee: \$200
- NON INV Materials (Tie Downs, Skirting, Poly Wrap, Furring Strips, Black Shingles, Misc Plumbing): \$2,100

Total: \$10,350

Deconstruction efforts are often necessary following a disaster and understanding the landscape of associated costs can serve as an important step in preparing for the inevitable consequences resulting from a major disaster or an isolated event which results in the need to demolish a MH. While many lessons were learned during Irene, one of the most important lessons is that acting too quickly to demolish a destroyed MH or clear an entire MHP may limit the available funding through FEMA, even though at the time the urgency of responding and heading off any potential health hazards was understandable. Any deconstruction effort immediately following a declared disaster should be vetted with the State Hazard Mitigation Team, FEMA and other experts in the realm of FEMA assistance, including HMGP.

Case Study #3 summarizes a relocation effort that involved demolition and triggered URA in Minnesota. The importance of effective case management throughout the process is evident.

Recommendations

- » Develop a best practices list for towns and RPCs regarding demolition and debris removal and HMGP eligibility.
- » Develop guidance document for residents, park owners and contractors for the removal and disposal of mobile homes destroyed by a disaster including the management of hazardous waste.

CASE STUDY #3

Pipestone Acquisition & Relocation Project at Tianna Park, Minnesota

“Our budget for Acquisition was \$210,096 or approximately \$35,016 per property (which included the acquisition of the home, moving expenses and relocation). The Administration (or case work) was figured at \$5,000 per property for a total of \$30,000 (this included all the work from public meetings, working with the individual(s), setting up appraisal and inspections, conducting inspections, preparing paperwork, closing with the City on the acquisition and transfer property to them, and the list can go on depending on the individual needs. The demolition budget was \$30,000 which included the removal of the homes (including walls,

porches, frames and blocks), including cost of hauling debris to landfill, buildings and garages (including walls, frames), removal of bituminous, removal of shelter and backfill the hole, demolition and removal of concrete slabs of homes and out buildings (break up and remove concrete slabs on grade). We figured the administration for the demolition as \$3,000.”

This relocation effort used a combination of HMGP and CDBG funds and had to follow the Uniform Relocation Act (URA). “All the Right Moves” is a compliance handbook that provides useful, state-specific information.

http://mn.gov/deed/images/All_The_Right_Moves_In_Minnesota.pdf

Information provided by Barb Kirchner, Construction Services Manager for the Southwest Minnesota Housing Partnership.

PLANNING FOR DISASTERS AND SEIZING OPPORTUNITY

Following Irene, those towns that reported having engaged in some form of emergency preparedness planning also reported enhanced response and recovery efforts compared to towns that did not report some form of emergency preparedness planning. One important and feasible action to enhance MH and MHP preparedness is to include mobile home-specific information in current planning initiatives at the state and local level. Several partners have been working on enhancing the disaster resilience of MHPs and will continue to work with MHP residents. The suggestions below represent the fundamental tenets of MHP preparedness initiatives that are occurring now, anticipated and suggested for the future.

Emergency Planning for Park Communities

The UVM Department of Community Development and Applied Economics and the CVOEO Mobile Home Program are currently developing a park-scale emergency planning template that can be adopted by park residents and owners. To be most effective, it is critical that residents are included in the plan development process and UVM and CVOEO is organizing individual park workshops for communities wishing to participate in these planning efforts. One recommendation is encouraging each owner or operator of a mobile home park to adopt an emergency preparedness plan. The plan should contain information such as: the identification of potential hazards, evacuation procedures and routes, and contact information for emergency services, and be made available to residents as well as posted in a common area. California has adopted legislation around this concept.¹² In the

information presented below, the current state and local planning initiative is defined with a suggestion for how MH and MHP information can be integrated into the initiative:

INCLUSION OF MOBILE HOME INFORMATION IN TOWN-SPECIFIC BASIC EMERGENCY OPERATIONS PLANS (BEOPs)

Vermont's Department of Emergency Management and Homeland Security (DEMHS) requests that each town and city in Vermont complete and annually update a Basic Emergency Operations Plan (BEOP). Under the scope of work for the Emergency Management Performance Grant that all RPCs receive directly or contract with another RPC for, there is a clear expectation that the RPCs will work with their respective towns to complete, update and submit the BEOP for inclusion in the state's disaster management system, 'DLAN,' annually.

In the current BEOP template, inclusion of mobile home park-specific information would fall under the "High-Risk Population" list or be included as an attachment. It is suggested that the state BEOP working group at DEMHS amend the template to require the inclusion of mobile home-specific information in future BEOPs. This group should also develop a communication strategy in conjunction with UVM and CVOEO that instructs towns and RPC staff on methodology for collecting information.

If a town has identified mobile homes in or out of established parks, the following information should be collected and included in that town's BEOP with assistance from their respective RPC and/or Emergency Management Director (EMD):

For Mobile Home Parks:

- Park name
- Number of lots
- Location Information (associated street addresses and latitude/longitude)
- Known SFHA, FEH, and other hazards to property

12. http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0001-0050/sb_23_bill_20091011_chaptered.html

- Key contact information for park owner, managers, and those designated to assist or coordinate during an emergency response and evacuation
- Special needs of residents that constitute an increased health and safety risk during a disaster.
- Evacuation and sheltering procedures

For Private Mobile Homes:

- Location Information (associated street addresses and latitude/longitude)
- Known SFHA, FEH, and other hazards to property
- Special needs of residents that constitute an increased health and safety risk during a disaster.

Efforts associated with MH and MHP emergency preparedness planning should work in collaboration with the CVOEO and UVM teams to avoid confusion and duplication of efforts.¹³

Following Tropical Storm Irene, ACCD staff accompanied FEMA staff and contractors on tours around the state to survey damage and also identify possible mobile home lots for temporary housing should that have been needed. It would be beneficial to have information on the number and location of available (vacant) MHP lots and any of the parks that are out of the floodplain to provide to FEMA during the Individual Assistance (IA) program immediately following a declared disaster. It is not suggested for inclusion in the BEOP, as this data exists in the MHP Risk Assessment tool, however, this highlights the importance of keeping the data accurately updated and readily accessible.¹⁴

INCLUSION OF MHP-SPECIFIC INFORMATION IN THE STATE AND LOCAL HAZARD MITIGATION PLANS

UVM worked closely with the State Hazard Mitigation Office on information for inclusion in the 2013 update to the state's Hazard Mitigation Plan (HMP). UVM's review of 58 local hazard mitigation plans found that few of the available plans included mitigation strategies for mobile home parks. One

of the strategies in the updated HMP is to provide data and materials to assist with municipal planning which should be made available, through education and outreach, to LEPC's, park residents and owners. While the majority of town HMPs are written by the Regional Planning Commissions, towns may choose to complete their plans on their own or through a contractor. Expectations of what information is to be included in these plans should come from DEMHS and flow down to the RPCs and then to the towns.

Identifying parks that are at risk in the state HMP and local plans would provide a basis for hazard mitigation grants for relocation of highly vulnerable parks, should the opportunity arise. By defining specific elements of MH and MHP mitigation strategies, the state hazard mitigation team can enhance the planning of towns. A summary of UVM's review of local HMPs is provided on the following page.

Tracking prior damage and subsequent costs associated with a flood and fluvial erosion event is required for certain FEMA Hazard Mitigation Grants. Under the Emergency Management Performance Grant that is received by most, if not all, RPCs in Vermont, assistance with HMGP activities is currently included in the scope of work. If not currently being done, Emergency Planners (or the equivalent position) within the RPCs should take ownership of the damage and cost tracking endeavor, and work in conjunction with CVOEO, the towns, and the state hazard mitigation team to track these damages for MHs and MHPs more thoroughly.

FEMA has developed affidavits to track flood-related damages and costs for other projects, and these could serve to guide development of a mobile home park-specific tracking template. A template specific to mobile home parks would ensure that proof of prior damage (most likely in the form of repair receipts) and subsequent costs are included in the collected documents. Mobile home park residents and owners should be informed of the importance of tracking flood-related damages, and keep records of all repairs incurred from flood events.

Determining eligibility for HMGP projects is not always easy or clear-cut because each FEMA region

13. More information about the UVM and CVOEO Disaster Resilience for Mobile Home Parks Project is available here: www.uvm.edu/~cdaemhp

14. Current list available here: http://accd.vermont.gov/strong_communities/housing/mobile_home_parks/facts

differs in their interpretation of the HMGP guidance documents. When determining eligibility of potential HMGP projects specific to MHs and MHPs, that project should be vetted by as many experts as possible, including FEMA, support contractors, RPCs (when applicable) and DEMHS. In several instances since Irene, a town had brought an HMGP project forward, and was told that it was not eligible. After further research and consideration, some of these projects

may have been eligible, but this remains unclear because the projects were withdrawn and further investigation ceased.

In conjunction with planning, there are several organizations that can assist with enhancing disaster resilience. Below is a discussion of current initiatives that can be useful in MH and MHP disaster resilience initiatives.

Local Hazard Mitigation Plans and Mobile Home Parks Summary

After a review of 58 available local hazard mitigation plans for towns with mobile home parks, we found that many towns (87%) do not specifically consider the potential risks to mobile home parks. Very few plans identify mitigation strategies for these communities. In cases where parks are mentioned, there is a varying level of detail related to the town's park or parks.

Key Highlights:

- 17% (10 plans) of the available plans discuss at least one potential hazard related to current mobile home parks within the town.
- The majority of the risks identified include flooding, tropical storms, hurricanes, structure fires, and high winds.
- Two communities noted parks that are on public water systems (Weathersfield and Fair Haven).
- Very few plans identified potential mitigation strategies related to their parks; four towns (Berlin, Braintree, Springfield, and Washington) discussed strategies such as tie downs to minimize wind damage, create new emergency access points, and water systems.

SPECIAL CASES

BERLIN, WASHINGTON COUNTY

The Berlin town plan recognizes parks as being vulnerable to several weather conditions including

earthquakes, flood, flash flood, fluvial erosion, high winds, hurricane, tropical storm, severe storm. It identified specific mobile home parks subject to flood damage which include the Berlin Mobile Home Park and the River Run Mobile Home Park. The plan also mentioned previous flooding including the 2011 spring floods and Tropical Storm Irene. Tie downs were also mentioned as a mitigation strategy.

DUXBURY, WASHINGTON COUNTY

The plan mentions damages incurred to mobile home parks during Tropical Storm Irene with specific mention of the Crossett Hill and Duxbury Corner mobile home parks. It also contains a table in which hazard, location, vulnerability, extent, impact and probability are all cited. Hazards that are cited include flood, flash flood, fluvial erosion, hurricanes, severe storms, tropical storms.

WASHINGTON, ORANGE COUNTY

Washington is another example of a town that contains a table with the hazard, location, vulnerability, extent, impact and probability cited in relation to mobile home parks. It cited tornadoes specifically as a weather hazard to mobile home parks. The plan also outlines mitigation action such as tie downs and also provided a matrix that includes the mitigation strategy, local leadership, prioritization, possible resources, and time frames.

Initiatives

COMMUNITY EMERGENCY RESPONSE TEAMS

Community Emergency Response Teams (CERT) are established statewide to varying degrees. In addition to assisting state organizations in an emergency or other large event, they can provide outreach, training and technical assistance prior, during and after disasters. In communication with EMS agencies, one outstanding issue that CERTs could address is the placarding of mobile homes in parks with E-911 addresses. MHs in parks often use lot numbers rather than E911 addresses, making it confusing to quickly identify addresses. Additionally, park residents are eligible to receive basic CERT training which serves to enhance individual and overall park readiness and competence in responding. Working in collaboration with CVOEO, the LEPCs and the CERT, this project can be accomplished by following a model used by many fire departments where materials to make signs are purchased, assembled and installed.¹⁵



Example of confusion created from the placarding of E-911 addresses where lot numbers already exist.

RED CROSS SHELTERING INITIATIVE

The Local Disaster Shelter Initiative, managed by the American Red Cross (ARC), offers communities in Vermont the training and equipment to open and sustain a disaster shelter for up to 72 hours when outside assistance is either unavailable or delayed. In response to Irene, the Red Cross opened and staffed 13 regional shelters but received requests

from over 30 communities that sought to open their own smaller shelter. By empowering communities to open shelters quickly and independently they will be more prepared to respond to the problems created by storm and road conditions, and will increase the number of available volunteers.

A community that receives the training and material resources (estimated at \$3,500) offered by the Red Cross at no cost will make a great advance in their disaster resilience.¹⁶

LOCAL EMERGENCY PLANNING COMMITTEES

Local Emergency Planning Committees (LEPCs) can play an important proactive role in reaching out to local MH residents to encourage disaster preparedness as well as communicate information and strategy to their respective response organizations. Prior to Hurricane Sandy, members of LEPC #5 in Washington County conducted a door-to-door flyer campaign to give mobile home park households disaster preparedness materials and encourage residents to evacuate early. A collaborative research team, consisting of staff from UVM and CVOEO, met with LEPCs across the state to share the outcomes of their USDA research project, providing each LEPC with data related to the parks in their region.

Anchoring Mobile Homes and Fuel Tanks

Anchoring (securing) MHs and fuel tanks supplying MHs remains one of the most important facets of MH preparedness. Many mortgage companies require anchoring of the MH as a condition of the loan. Understanding the importance and logistics associated with anchoring both MHs and fuel tanks is recommended for all who are involved in MH disaster planning. Below are some of the key concepts associated with anchoring, with current resources and cost estimates.

15. Underhill-Jericho Fire uses; <http://www.safetysign.com/street-name-signs>

16. Contact Larry Kupferman at (802) 660-9130, ext. 113 or larry.kupferman@redcross.org

ANCHORING MOBILE HOMES

Mobile homes are often not securely attached to the ground, increasing the risk of being taken off their foundations during a flood event. Anchoring mobile homes can reduce this risk and FEMA provides specific guidance on this process.¹⁷ The National Flood Insurance Program (NFIP) states that if a proposed building site is in a flood-prone area, all new construction and substantial improvements shall be designed (or modified) and adequately anchored to prevent flotation, collapse, or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy. There are specific requirements for manufactured homes and structures in V Zones (beach front).¹⁸ Many banks require new mobile homes to be anchored and the cost of anchoring ranges from \$500-\$1,000 depending primarily on what surface the mobile home sits on. Many MH manufacturers, dealers and service organizations will perform the work of anchoring. Should a large-scale initiative be implemented, a case management team should be developed to further specify needs, strategy, costs and management of the process.

FEMA's "Protecting Manufactured Homes from Floods and Other Hazards: A Multi-Hazard Foundation and Installation Guide" (FEMA P-85, Second Edition/11) has been updated to reflect the requirements of the most current codes and standards and to provide a best practices approach in reducing damages from natural hazards. Designs are included for wood-framed foundations, conventional concrete and masonry pier foundations, and ground anchors.¹⁹

ANCHORING FUEL TANKS

During Irene there were 493 spills reported to the Department of Environmental Conservation, 126 of which were Above Ground Storage Tank (AST) releases. The actual number of spills may have been greater because spills within a single MHP were

counted as one event. Unanchored fuel tanks present an increased environmental hazard when floodwaters remove them from the site and send them downstream. Many fuel tanks were seen floating down rivers after Irene, exacerbating the impact of debris under bridges and in culverts. In addition, spilled fuel can contaminate rivers and streams or neighboring properties. Additionally, the NFIP minimum standards considers a fuel tank to be a "structure" when it is located within a flood hazard area. Therefore, the same standard that is listed above for all new construction and substantial improvements would apply to fuel storage tanks (i.e. shall be designed or modified and adequately anchored to prevent flotation, collapse, or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy).

Securing fuel tanks in areas most at-risk of flooding is strongly recommended for the following reasons:

- Reduces environmental degradation associated with spills.
- Reduces damage and debris during a flood event
- Decreases fire risk associated with spill
- Decreases total recovery costs by reducing number of retrievals of old tanks, installation of replacements and clean up expenditures.

Vermont's Waste Management Division manages the State Petroleum Clean-up Fund. Spills from ASTs at MHPs can receive reimbursement up to \$25,000 per occurrence with a \$250 deductible once it has been determined the costs are not covered by private insurance. There are additional grants available to enhance safety of ASTs within mobile home parks. Priority is based on risk and low or moderate income status.²⁰

Vermont Fuel Dealers Association²¹ (VFDA) has provided information related to fuel storage and anchoring. The National Fire Protection Association regulates modifications to propane tanks and Vermont's Department of Public Safety adopted these

17. <http://www.fema.gov/library/viewRecord.do?id=1577>

18. <http://www.fema.gov/national-flood-insurance-program-2/manufactured-mobile-home>

19. Link to guide: <http://www.fema.gov/library/viewRecord.do?id=1577>

20. <http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=10&Chapter=059&Section=01941>

21. http://www.vermontfuel.com/Contact_VFDA.html

regulations in their 2012 Fire and Building Safety Code.²² Propane suppliers are responsible for any anchoring to propane tanks but will not anchor if tank is attached to a home. Vermont's AST rules are managed by ANR's Department of Environmental Conservation. Updates to these rules, adopted in October 2011, require any new AST installation to anchor the tank in a flood prone area. The VFDA Compliance Bulletin is a useful resource as well as the October 2011 Agency of Natural Resources AST Rules.^{23, 24}

The anchoring of fuel storage tanks must be performed by the fuel dealer and the price ranges from \$500-\$1,000. Pre-fabricated slabs can be purchased from one local dealer for \$190.73 and non-slab anchoring supplies are also available. Additionally, ANR has grants for up to \$2,000 for the removal and replacement of fuel storage tanks.²⁵

Given the current funding opportunities associated with AST anchoring, a case management team that can implement a program to assess specific needs within high flood-risk areas and work to connect those needs with funding opportunities is recommended.

for appropriate towns and cities and state and local hazard mitigation plans.

- » Encourage each mobile home park to adopt an emergency preparedness plan.
- » Support and encourage mobile home community, owner and resident education and planning, including through resident associations, to increase disaster preparedness and emergency management capacity.
- » Ensure disaster case managers, homeownership centers and long term recovery committees are trained in recovery issues, best practices, and strategies specific to mobile homes.
- » Establish a process for identification of vacant lots in existing parks outside flood hazard areas that could be considered for temporary housing post disaster.
- » Promote, seek and develop resources for flood-proofing, elevation, and tie-downs for mobile homes and ASTs, and other critical park infrastructure.
- » Identify a sustainable funding source to develop and maintain the DEC fuel tank upgrade and replacement grant program and explore additional options to assist residents in securing ASTs.

Recommendations

- » Establish a tracking mechanism that collects prior damage and losses for mobile homes and mobile home park owners to increase eligibility for hazard mitigation grant funding.
- » Utilize current state and local emergency planning mechanisms and capacity to increase preparedness of parks and response capabilities of local and state entities. Incorporate mobile home and mobile home park-specific information into state-sanctioned emergency operations plans

22. http://www.vermontfuel.com/vermontfirecode_files/2012_fire-code.pdf

23. <http://www.vermontfuel.com/AST.html>

24. <http://www.anr.state.vt.us/dec/wastediv/ust/regs/ASTRules.pdf>

25. <http://www.anr.state.vt.us/dec/wastediv/ust/ustgrantapplication.htm>

RESPONSE AND RECOVERY

Guidance for Action During and After a Disaster

Ensuring the best outcome for towns and residents affected by a presidentially-declared disaster requires careful consideration of the eligibility requirements for public assistance (PA), Individual Assistance (IA) and Hazard Mitigation Grant Program (HMGP) funding.²⁶ Following Irene, which was the greatest natural disaster to hit Vermont in nearly a century, there was a lack of expertise and substantial level of confusion regarding these three programs. It serves the state, towns and all parties involved in disaster response and recovery to know some key strategies prior to a disaster as they pertain to MHs and MHPs. FEMA’s Individual and Household Program (IHP) works directly within the IA program²⁷ and assists with home replacement, repair, rental assistance and in some cases, permanent or semi-permanent housing construction. The magnitude of IA dollars warrants a thorough understanding of the process, eligibility requirements and barriers to receiving this assistance. The following three graphs represent the case history by the numbers of the financial role of IA during three recently declared disasters.

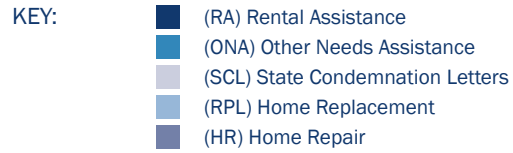


FIGURE 9
Severe Storms and Flooding
(Spring 2011, Lake Champlain)

Total Awarded: \$1,813,047.32

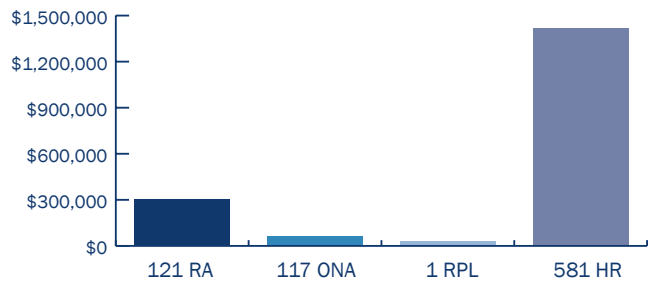


FIGURE 10
Severe Storms and Flooding (May 2011)

Total Awarded: \$1,443,627.34

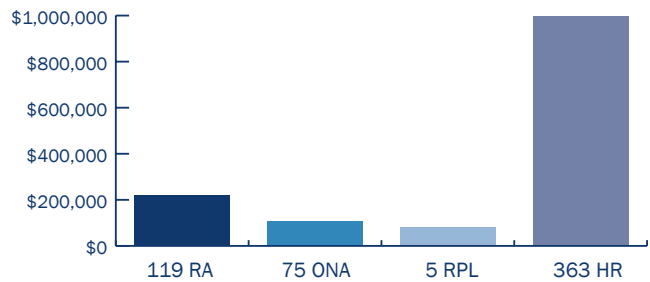
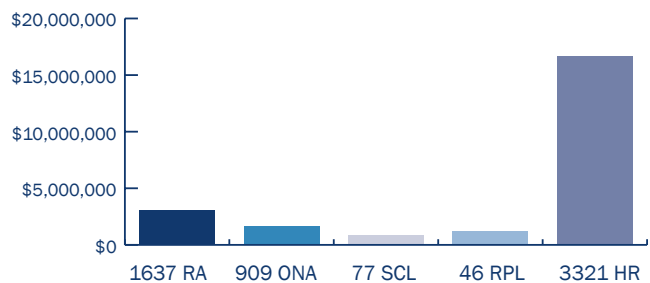


FIGURE 11
Tropical Storm Irene (August 2011)

Total Awarded: \$23,332,405.19



26. PA: <http://www.fema.gov/pdf/government/grant/pa/paguide07.pdf>
 IA: <http://www.fema.gov/apply-assistance>
 HMGP FAQ: <http://www.fema.gov/application-development-process/hazard-mitigation-grant-programs-frequently-ask-questions#2>

27. Information sheet for IHP: http://www.in.gov/dhs/files/dad_asst_indv_households.pdf

The advantage of effective case management in helping residents obtain maximum assistance dollars was seen in many cases following the disasters represented by the graphs above. Case managers reported that persistence and tenacity were two critical characteristics needed to ensure these awards. Case management is needed in both response and recovery. It is therefore recommended that a curriculum of best practices be developed for post-disaster case management, as well as the identification of personnel that can be called upon as case managers. CVOEO and UVM should coordinate with FEMA, current case managers, and RPCs to build a curriculum based on the lessons learned from Irene. It is critical that case managers are aware of the particular issues of mobile home ownership as it relates to FEMA programs.

Educating towns and in some cases, state-level emergency management on the often overlooked components of FEMA programs can serve to enhance the response efforts specific to MHPs. The two FEMA policies for assistance to private property listed below went largely unknown immediately following Irene. Therefore, in addition to a case management curriculum, it is recommended that a best practice list for towns and RPCs regarding demolition and debris removal be developed.

The following are policy documents that can be used as a foundation for this recommendation:

FEMA DISASTER ASSISTANCE POLICY (DAP) FOR PRIVATE PROPERTY

DAP9523.4: Demolition of Private Structures²⁸ provides guidance in determining the eligibility of demolition of private structures under FEMA's PA program.

DAP9523.13: Debris Removal from Private Property²⁹ describes the criteria that FEMA will use to calculate eligibility of debris removal work from private property under its PA program.

FEMA GUIDE FOR ACQUISITION OF STRUCTURES IN LANDSLIDE AREAS

When a property is considered to be in imminent danger of destruction due to a landslide within one year, yet is out of the SFHA and FEH zones and was not substantially damaged, a unique landslide-specific BCA (Benefit-Cost Analysis) can be conducted for an acquisition project.

IA AND BUILDING NEW MOBILE HOME PARKS

After a declared disaster, if the state shows that there is a shortage of affordable housing, the state can request assistance from FEMA's Direct Housing Program (DHP). If invoked, FEMA will identify suitable parcels of land and acquire a team of engineers (Army Corp. or private contractors) to permit and install infrastructure to support a new park. Case histories from disaster recovery in other states show that development of a new MHP can be completed within two months of the disaster declaration.

In each instance where FEMA's DHP was initiated, FEMA also supplied the MHs. This program runs a total of eighteen (18) months from the date of the declared disaster. FEMA brings its own case-management system that works with residents to relocate and/or find permanent housing. Due to the temporary nature of this program, many of the permitting requirements are waived but if the development is repurposed for permanent housing the permitting requirements must be revisited. In conjunction with this program, FEMA will also look for open lots within current MHPs and furnish those areas with its temporary homes. All sites must be out of the SFHA (the current park does not have to be completely out but any FEMA-supplied housing will only be placed out of the SFHA).³⁰ The potential for FEMA to develop new lots within established parks while allowing the state to furnish its own housing should be explored further.

28. Full Policy: http://www.fema.gov/pdf/government/grant/pa/9523_4.pdf

29. Full Policy: http://www.fema.gov/pdf/government/grant/pa/9523_13.pdf

30. John Donahue is FEMA's Direct Housing Group Supervisor in Pennsylvania and welcomes further contact: john.donahue@fema.dhs.gov, 570-822-8201, 1492 HW 315 Blvd, Wilkes-Barre, PA 18702. John's supervisor, Michael Senycz (Michael.Senycz@fema.dhs.gov) can also be contact at 215-931-5631.

Immediately following Irene, Vermont considered the option of using the DHP program to bring in temporary housing units (THUs), often referred to as “FEMA trailers”, to provide temporary housing, but concluded that the THUs were ill-suited to Vermont’s climate and the need was insufficient to warrant this option. FEMA’s Housing Team identified traditional mobile homes available through dealers. In the end, neither they nor THUs were used during the recovery. Urging FEMA to use locally available, climate suitable temporary mobile homes is recommended in case of future events.

IA AND MOBILE HOME DECONSTRUCTION

Difficult lessons were learned following Tropical Storm Irene when mobile homes were taken apart, deconstructed or sold prior to the homeowner filing a claim with FEMA or in the process of appealing a decision with FEMA. In a number of instances homeowners who took quick action repairing or demolishing their homes, or sold their mobile home, lost the opportunity to be compensated for their loss. In future disasters, it is imperative that outreach is undertaken with mobile home owners ahead of deconstruction or repair efforts so that homeowners receive the maximum benefit they are eligible for.

EMERGENCY HEALTH ORDERS AND CONDEMNATION PROCESS

Mobile home owners and those assisting them following Tropical Storm Irene, learned that FEMA’s inspection criteria would only result in a determination that a mobile home was ‘destroyed’ if every phase of the unit was damaged. In other words, from the frame to the roof. Since most of the mobile homes damaged in Irene were flooded, FEMA regularly determined that they were repairable but when those mobile homes developed mold, they became uninhabitable. FEMA would also accept a “condemned to be destroyed” letter from a state or local agency with the authority to issue such letters. However, at the time, Vermont did not have an entity with that authority, and FEMA would not accept an inspection by a town health officer or mobile home dealer.

Mobile homes needed to be removed quickly to alleviate public health risks, allow victims to replace them, and park owners to begin to repair their property. Lieutenant Governor Phil Scott and ACCD Secretary Lawrence Miller initiated a deconstruction program eventually raising over \$300,000 in private funds to remove damaged mobile homes en masse from six parks at no cost to the mobile home owner. However, removing a mobile home would not result in any additional FEMA assistance unless the mobile home was deemed as destroyed, which rarely happened, or was condemned to be destroyed by an authority. This led the State to initiate the emergency powers of the governor, allowing Governor Peter Shumlin to issue “condemned to be destroyed” letters for the mobile homes that were deconstructed. The State also then reached out to 363 mobile home owners to identify any other mobile homes that were removed, or needed to be inspected. ACCD conducted intake from 50 mobile home owners who responded to the outreach and coordinated with State fire safety inspectors and CVOEO, as well as case managers and the Vermont Disaster Relief Fund (VDRF). This resulted in dozens of additional condemnation letters, the removal of the mobile homes, and most importantly maximized FEMA assistance to people who otherwise would not have been eligible.

A detailed report of the State’s condemnation process is included as Appendix 5 of this report.

The lesson learned from this experience is that having a viable condemnation process in place prior to a disaster can greatly enhance the level of mobile home replacement grants available. DR# 4022 resulted in 16 maximum replacement grants before condemnation for a total of \$237,302.22. This amount increased to \$985,228.45 for 82 homes after condemnation. Of the total (\$2,959,599.00), \$1,222,530.69 was used for home replacement and \$1,737,068.31 was used for initial repairs, belongings and rental assistance.

FEMA MULTI-FAMILY REPAIR PROGRAM

Displaced mobile home residents encountered many challenges in securing temporary housing situations post-Irene, especially in Central Vermont where parks were heavily flood-damaged. For residents wanting

to use their FEMA funds to purchase a replacement mobile home it was difficult to locate a suitable vacant lot in the nearby MHPs. Prior to Irene, affordable and decent rental housing in the Washington County area was limited. Recognizing that displaced residents were quickly using up their individual assistance funds on unaffordable rental units and hotel stays and that the typical FEMA temporary housing units were not well suited to Vermont's climate, officials from FEMA Region 1 launched a pilot project that renovated an existing multi-family building and provided safe, rent-free housing for families and individuals in transition.

The Multi-Family Repair Program identified a dilapidated five-unit historic rental property in Barre where the owners were willing to provide 18 months of rent-free housing for households displaced by Irene in exchange for a complete renovation of the building that cost nearly \$70,000. The aim of the program was to provide a low-cost temporary housing situation where residents could save their FEMA funds while working with their disaster case manager to determine their best long-term housing option. The first tenants moved into the five apartments in April 2012. Displaced mobile home residents were identified as a priority group for the pilot program, and at least five mobile home residents were able to participate in the program. Once the program ended, after providing 18 months of free rental housing for Irene survivors, the renovated units were returned to the rental market.

HAZARD MITIGATION GRANT PROGRAM (HMGP)

Acquisition, relocation, and floodproofing are eligible projects under HMGP. There are several examples across the country where HMGP funds were used in an acquisition of a MHP that included relocation of residents. Vermont has seen five rounds of HMGP applications, and the most significant deterrent to successful applications has been the difficulty in providing sufficient documentation of costs incurred from prior flood-related damages. Timing has also been an issue in one instance where a MHP was flooded and homes were destroyed and cleared prior to the HMGP application. Because of this, the park

owner was not eligible for a buy-out. The state hazard mitigation team appealed FEMA Region 1's decision regarding HMGP eligibility, as the demolition was due to health and safety concerns, but the appeal was unfortunately denied. When it became clear that a buyout through HMGP would not happen, the state stepped up to make CDBG-DR funds available to the town and park owner, but as of yet it is not known whether the owner will accept the offer.

This plan recommends that once the state hazard mitigation team receives FEMA's response to their appeal, they draft a best-practices guide for municipalities regarding how to conduct recovery efforts while maintaining potential HMGP eligibility.

Immediately following a disaster any party involved with the removal or alteration of mobile homes, both in and out of parks, should consult the state Hazard Mitigation Officer and a FEMA HMGP specialist³¹ to fully understand the potential implications of any action taken following a disaster.

Case Study #4 provides a recent example of how an HMGP grant is being used by a municipality for acquisition and relocation of a flood-prone park out of the flood hazard area following a disaster.

Recommendations

- » Develop a disaster recovery roadmap for mobile home owners whose homes have been affected by disaster.
- » Enhance coordination with FEMA to assess the potential of using non-FEMA trailers when an opportunity for new MHP development by FEMA arises from a declared disaster.
- » Consider legislation to provide enabling authority to towns to "condemn to destroy" a residential property in the event of a presidentially declared disaster.
- » Include condemnation guidance in disaster training and education for local health officers.

31. SAIC's Thad Leugemors has been an invaluable resource since Tropical Storm Irene.

CASE STUDY #4

When Opportunity Strikes

Irene did not just strike MHPs in Vermont. In Williamstown, MA flooding necessitated the mass evacuation of all residents from 225 mobile homes at the Spruces MHP. The park had been previously evacuated but able to be reoccupied in 2004, and had suffered so-called nuisance flooding from time to time. But in the four months following Irene, only 65 mobile homes were able to be reoccupied. In response to Irene, Peter Fohlin, Town Manager in Williamstown, Massachusetts, asked the management firm that owned the park how much they would want to close the park and the price was \$600,000. In 2012, the town submitted an HMGP application for just over 6.2 million for the park with the following projections:

- Approximately \$3,000,000 toward the construction of permanent replacement housing for residents displaced from The Spruces
- Up to \$1,485,000 in relocation costs to owner-occupants of the 66 occupied homes in the park under the Uniform Relocation Act (up to \$22,500 each to 180-day owner-occupants only)
- Approximately \$1,200,000 for demolition and cleanup of the park
- \$600,000 compensation to Morgan Management

It is proposed that permanent replacement housing be constructed on the 30-acre town-owned parcel. Future proposed uses for the 114-acre Spruces property include agriculture, active and passive recreation, sports fields, a bicycle path, and conservation land.

Under Massachusetts law, residents of The Spruces may have at least forty-five (45) days to exercise their right of first refusal to purchase the park.

<http://williamstown.ws/wp-content/uploads/2012/11/spruces-11-13-12-rev-1.pdf>

PART II

Policy Challenges and Opportunities

MOBILE HOME FINANCING

Vermont and the National Mobile Home Financing Landscape

In 2011, a total of 366 mobile homes were sold as primary residences in the state. Of those, 117, approximately one-third, were sold with attached land. The remaining 249, either sold privately or by dealerships, would either be placed on a person's land or in a park. Currently no data exists to track annual sales of homes destined for parks versus annual sales destined for owned land. Discussions with mobile home dealerships suggest that these numbers align with overall mobile home ownership

statistics in the state—approximately 2/3 on owned land and 1/3 in parks. Most lending institutions did not sufficiently break down their lending data to ascertain homes in parks versus homes on land. Moreover, both banks and dealerships agreed that consumers who purchased homes for placement in parks almost exclusively financed with dealerships. While this data could be collected in the future, a more thorough analysis of current lending practices sheds light on why these trends appear. It also reveals steps Vermont could take that would open up better financing options for mobile home consumers.

Local lending institutions provide many financing options to potential buyers of mobile homes in Vermont. According to the president of the Vermont Bankers' Association loan rates can vary from lender to lender, from near current market rates for conventional mortgages for real estate, to up to 14 or 15%. Loan terms vary widely as well, from 7-year fixed to

30-year adjustable. The lending market is dominated by smaller banks and credit unions, as most of the larger banks have eschewed the practice altogether.

All institutions provided some kind of in-house product for double-wide homes on owned land that could not obtain secondary market financing. During discussion with lenders and dealers a number of key questions arose: (1) whether titling mobile homes as real estate makes better loan products available; (2) whether low APR fixed rate loans were available, especially for double-wide homes on owned land; (3) whether lending terms were dependent upon a home's "economic viability" using industry supplied or lender determined rates of depreciation; (4) the general loan to value (LTV) requirement for financing.

The table in Appendix 3 provides a summary of the choices available from a number of local lending institutions and illustrates where current lenders sit in response to the four questions discussed above. The table does not account for every lender in the state, but shows many of the lenders who make mobile home loans. Secondary market loans (predominantly Fannie Mae and Freddie Mac) are standard real estate loans—and would be the market APR (between 3.5–4% currently) and would have terms up to 30 years. Other federal programs vary including; FHA (market rate), USDA Guaranteed (market and subsidized rates), and VA Guaranteed (market and subsidized rates).

National lending institutions, partnering with the manufactured housing industry, provide on-site financing at dealerships. Unlike a traditional bank or credit union, these companies deal solely with manufactured homes and prefabricated housing, underwriting the loans, packaging, and holding them for banks as investment assets. As a result of this specialization and access to loan capital, they can offer rates and terms that are relatively competitive. The added convenience of one-stop shopping and quick turnaround makes them quite popular amongst mobile home buyers. The rates are especially competitive when financing single-wide homes to be placed in mobile home parks. One local dealership estimated that at least two thirds of all homes sold by the dealers were financed by these loans. Historically,

mobile homes were rarely financed as real estate like most traditional "stick built" housing. Originally conceived as a form of temporary or transitional housing, mobile homes were typically titled as personal property. As a result, mobile homes have been long viewed as a depreciating asset and a higher risk type of collateral for securing a loan. Even as they transformed into permanent residential housing and were built to higher and higher standards, mobile homes were viewed as depreciating assets. Today, many lenders at least partially rely on value tables which project a certain rate of depreciation to "appraise" the value of a particular model of mobile home.³²

Numerous studies have been conducted by both the manufactured housing industry and independent organizations in attempts to dispute this assumption.³³ While these study results varied, most concluded that, while mobile homes typically depreciate, they appreciate at almost the same rate as comparable site built housing in some isolated circumstances.³⁴ Though inconclusive, three factors contribute to mobile home appreciation rates: the type of home, ownership interest in the land, and a permanent foundation.³⁵

The most significant of these three is ownership of land supporting the home as it is a factor in almost every study purporting to show mobile home value appreciation. Still, only mobile homes titled as real estate were found to appreciate. This increase in value may simply reflect the actual appreciation of the land itself rather than that of the mobile home which sits upon it. In a few isolated instances, however, mobile homes on very small parcels in subdivisions or parks appreciated in value. Sample sizes for these studies were typically quite small and many contained a wide variety of additional variables, making it difficult to isolate factors or generalize from the findings.

32. Discussions with Kathy Semanskis, Vermont State Employees Credit Union, Steve Kendall, Union Bank

33. Jewell, Kevin, Consumers Union, SW Region, *Appreciation in Manufactured Housing: A Fresh Look at the Debate* (2002). http://www.nw.org/network/comstrat/manufHsg/documents/appinMHHousing_000.pdf

34. Id.

35. Id.

More recent studies conducted by the University of New Hampshire on resident owned parks in that state revealed consistent rates of appreciation, though still less than that of site built housing.³⁶ This research also uncovered an anecdotal story of an affordable housing subdivision developed in 2006 in Kentucky, where half of the homes were factory built and half constructed on site. At the time of construction the homes were aesthetically and structurally interchangeable and sold for similar prices. Resale values of all of the homes have been similarly comparable, showing negligible difference, if any, between the rates of appreciation of the factory built homes versus the homes constructed on site.³⁷

Thus, as some data suggests, the potential risk involved with financing manufactured housing is subject to some variability. Significantly, manufactured housing which is located in a park and titled as personal property never appreciates.³⁸ Even more significant, studies indicate once a mobile home begins losing value it will continue to do so.³⁹ Unless and until these mobile homes begin to show signs of appreciation, it appears highly unlikely that financing for mobile homes titled as personal property will be subject to more reasonable rates.

SECONDARY MARKET REQUIREMENTS FOR LOAN UNDERWRITING

The secondary market has begun purchasing some mobile home loans based on specific criteria but, not surprisingly, focuses almost exclusively on mobile homes titled as real estate and situated on land owned by the homeowner.

Since the housing market collapse in 2007 and 2008, and due in part to the reform efforts made by the federal government, government backed private companies (i.e. Fannie Mae and Freddie Mac) dominate the secondary market for loan purchase and underwriting. The two companies each have their own method for assessing loan risks, but the results of these methods converge when assessing mobile home loans.⁴⁰ As a result, to speak of one company's mobile home lending requirements is to speak of the other as they are basically interchangeable.

A more detailed look at the Fannie Mae mobile home program highlights a number of requirements which further help to explain the current mobile home financing landscape. Mobile homes must be (1) titled as real property, (2) situated on land owned by the homeowner and (3) "permanently affixed": the wheels and axles must be removed and the home must be anchored to the site according to HUD guidelines and manufacturer's standards.⁴¹ It requires a maximum 95% LTV ratio on loans, but will credit the trade in value of a previous home, or the value of the land upon which the MH sits towards the down payment when determining LTV eligibility.⁴²

Fannie Mae does not purchase or service mobile home mortgages for mobile homes situated in parks subject to land lease agreements but it will view lots under condominium and co-op ownership as land "owned by the homeowner."⁴³ It requires these condominium or co-op projects to be "approved," but exempts planned unit development (PUD) subdivisions consisting of doublewide mobile homes or manufactured housing from the approval process.⁴⁴ Consequently, this means that singlewide mobile homes in Fannie Mae-approved co-ops,

36. Swack, Michael (Carsey Inst., Univ. New Hamp) and Riviera, Jolan, (Sch. of Community Econ. Devel., South. New Hamp. Univ.) *The Experience of the New Hampshire Community Loan Fund in Mainstreaming of Acquisition Loans* (2009).

37. This story came out of a discussion with the Next Step Network CEO, Stacey Epperson, who was the Executive Director of the Frontier Housing, the non-profit that built the development, called Edgewood. Neither Frontier Housing nor its primary funder, the Ford Foundation, has a publicly available study corroborating the story. Even so, this development's success was a factor in inspiring Ms. Epperson to form the Next Step Network, described in part 3 of subsection II(C) of this report. Relying on Ms. Epperson's credibility, the department did not pursue further contact with either Frontier Housing or the Foundation.

38. Jewell, Kevin, "A Fresh Look."

39. *Id.*

40. Bipartisan Policy Center, report, *Housing and America's Future: New Directions for American Policy*, February 2013.

<http://bipartisanpolicy.org/library/report/housing-america-s-future-new-directions-national-policy>

41. Fannie Mae, *Standard Manufactured Housing Eligibility Guidelines*, https://www.fanniemae.com/content/eligibility_information/manufactured-housing-guidelines.pdf; Fannie Mae, *Selling Guide*, Fannie Mae Single Family, § B5-2.2, *Manufactured Housing*, https://www.fanniemae.com/content/guide_sel011713.pdf

42. *Id.*

43. *Id.*

44. *Id.*

condominiums and PUD subdivisions may be eligible for Fannie Mae to purchase. These are the only circumstances where singlewide homes are eligible for purchase or underwriting by Fannie Mae.

FEDERAL FUNDING SOURCES

The federal government itself finances mobile home purchases through the FHA loan and the USDA 502 and VA programs. The types of eligible homes are somewhat more limited than the general requirements for the secondary market. Still, as with the secondary market standards, many of the requirements are essentially interchangeable. One significant difference is the requirement for permanent anchoring. While the USDA program requirements are similar to those of the secondary market, FHA has specific foundation requirements, which are somewhat more rigorous. Even so, the USDA Section 502 program provides a general example of the scope of federal financing options.

The United States Department of Agriculture (USDA) Section 502 Homeownership Program provides loans to qualified low-income mobile home buyers. The loan term for mobile home loans is 30 years, and the Department subsidizes the loans based on income by paying some of the interest. Thus, the effective rate for repayment can be as low as 1% in some instances⁴⁵, however, the subsidy is recaptured by the USDA upon sale or transfer of the property or if the borrower ceases to occupy the property.

While the USDA will finance mobile homes, it does so in limited circumstances. Only new homes set on a permanent foundation can be financed by the USDA, though the department finances singlewides as well as doublewides. Unlike the Fannie Mae “permanent affixed standards” the USDA’s requires, at a minimum, a poured concrete slab with a frost wall or an otherwise frost resistant slab.⁴⁶ Mobile homes financed with USDA also must meet HUD energy ratings. The USDA will not finance properties in the floodway or otherwise required to buy flood

insurance through the national flood insurance program. It will only finance homes on land owned by the homeowner.

As with Fannie Mae, ownership includes the many types of “ownership interests.” For instance, traditional condominium purchases are eligible for USDA funding, as are homes serviced by roads owned by approved homeowners associations, implying that homes in subdivisions may be eligible as well.⁴⁷ Thus, it may be possible that, given the correct type of ownership interest, a mobile home situated in a cooperatively owned park, a condominium, or a subdivision may be eligible for USDA financing.

IN HOUSE LOANS, PRIVATE MORTGAGE INSURANCE, AND NON-UNIFORM APPRAISALS

A large number of mobile homes do not qualify for financing by federal programs or sale to the secondary market. As a result, lending institutions must hold these types of mobile home loans in house, in particular loans for homes situated in parks, which have traditionally higher default rates than other types of housing loans. Thus, lenders limit their risk exposure through high down payment requirements, variable rates and shorter terms. Moreover, these institutions are limited in the number of loans held in-house, especially where these loans are secured by high risk assets.⁴⁸

One creative approach comes from Ledyard National Bank in New Hampshire which created a manufactured housing loan program as part of its Community Reinvestment Act (CRA) activities. These loans are available to eligible Vermont households in one of the 13 Vermont municipalities in LNB’s service area.⁴⁹

Although one recent study disputes the assumption that mobile home loans must naturally have higher default rates, the study looked exclusively at mobile homes titled as real property and a majority of loans

45. USDA Rural Development, “Financing a Manufactured Home with USDA Rural Development Home Loan Program,” Brochure, 5-22-2012.

46. Id.

47. Id.

48. Discussion with VSECU

49. http://www.ledyardbank.com/Assets/PDF/LED1213_13-mobile-loan-bro_web.aspx

in the study were also insured and/or issued by state HFAs and the USDA.⁵⁰

Most federal programs, the secondary market and private lenders require mobile homes be appraised to qualify for financing. Aside from the general condition of the home and its sale price as compared to comparable real estate, lenders also look to the estimated useful life remaining in the home, and may limit the loan repayment term to that length of time.⁵¹ This process is hardly uniform, and the number of appraisers with mobile home experience is limited in the state.⁵² This leads to some reliance on manufacturer supplied depreciation tables, especially when appraising homes located in mobile home parks.

This is compounded by the limited availability of Private Mortgage Insurance for manufactured housing loans, as the secondary market requires high LTV manufactured housing mortgages be insured. Since most PMI companies operate nationally, they base their manufactured housing loan risk evaluation on the same trends as the secondary market, and many refuse to insure a home without an appraisal. Most, if not all PMI companies simply will not insure a mobile home, even one that would otherwise be salable on the secondary market. As a result, while the secondary market may allow for an LTV as high as 95%, the lack of PMI makes the effective LTV of many purchases 80%.

Barring the difficulty of appraising an often depreciating asset, many potential purchasers cannot afford to pay a 20% down payment.

FINANCING OPPORTUNITIES FOR HOMES IN PARKS AND ON OWNED LAND

Other factors contributing to this perception of risk include the creditworthiness of the purchaser and the potential risks inherent in a land lease arrangement. This can result in conflict between a financial institution and the park owner during a foreclosure action. As a result, regardless of how it is titled, a mobile home on leased land or situated in parks will almost always be financed as personal property and be subject to substantially higher rates and shorter terms. Some lenders give better rates to homes located in a non-profit park, but most make no such differentiation. Even these lower rates are not always competitive with the rates obtainable through national lenders who specialize in mobile homes.

A common requirement to financing a home in a park is a park-lender agreement, wherein a park owner agrees to notify the lender if the leaseholder begins to fall behind on rent. Lenders have reported that a number of park owners have refused to sign such agreements, mostly in fear of being unable to collect back rent due to conditions in such agreements. Moreover, agreements are not uniform, leading to variability in expectation and unpredictability in outcome for the park owner.⁵³ While the state encourages such agreements, their content is usually negotiated between lender and willing park owner.

Mobile homes on owned land and titled as real estate are essentially treated as real estate and subject to better terms, though sometimes doublewides receive the best rates. While local lenders will finance new and used singlewides to meet market demand, these homes are traditionally subject to higher rates of default, even when situated on owned land. The cut-off age for used homes varies but none will finance a home built before 1976, when HUD first introduced its mobile home standards. Few lenders currently assess homes in cooperatives as being on “owned land” when making financing decisions. Many had

50. http://cfed.org/knowledge_center/resource_directory/cfed_publications/directory/toward_a_sustainable_and_responsible_expansion_of_affordable_mortgages_for_manufactured_homes

51. Numerous lending institutions agreed to this sentiment, as indicated by the in-text chart.

52. For a discussion of appraisal issues nationally, see LeBaron, Robin, Fair Mortgage Collaborative, Real Homes, Real Value: Challenges, Issues, and Recommendations Concerning Real Property Appraisals of Manufactured Homes, (Corporation for Enterprise Development, 2012).

53. Although most lenders reported that the majority of park owners complied with park-lender agreements, they noted push back from certain owners. Stuart Bennett, an attorney and park owner, explained that one complaint levied by park owners was the variability of park-lender agreement terms, especially where one owner may be party to agreements with several different lenders.

never faced this situation before but were open to the idea that homes in cooperative parks were more like homes on owned land and would thus be eligible for better rates and terms.⁵⁴

Recent Vermont Policy Changes

Locally, Vermont has made policy choices that attempt to enable better mobile home financing and availability. Vermont amended its statutes to allow mobile homes, even in parks, to be financed as real property and converted from personal property to real property. It also established a new down payment assistance program in the wake of Tropical Storm Irene.

STATE ATTEMPTS AT TITLE REFORM AND THE UMHA

In 2008, Vermont reformed its mobile home titling process, enabling and streamlining the process for which these homes can be titled as real estate. While helpful for homes located on owned land, it has done little to remedy the financing disparity for homes located in parks. Unfortunately, how a mobile home is titled does not by itself transform the home's nature, either actual or perceived, from a depreciating asset to one that appreciates in value.

One state's title reforms can do little to change the character of a national market. National trends are the basis for risk evaluation of all such homes, so, while states' title reform may help the industry reach a critical mass and may institute changes in the long term, it will have little impact in the near term. Moreover, the scope of these title reforms is sporadic and subject to variance across jurisdictions, lessening their potential for impact in the national marketplace.⁵⁵

54. Lenders which explicitly expressed an interest in specialized products for homes in cooperatives and subdivisions and permanent dwellings in land lease parks included Opportunities Credit Union, Union Bank, and VSECU.

55. Uniform Law Commission, *Manufactured Housing Act Summary*, available at <http://www.uniformlaws.org/ActSummary.aspx?title=Manufactured%20Housing%20Act>

Establishing a national, uniform standard for mobile home titling and insurance could make inroads to shift industry perspective. To this end, the National Conference of Commissioners on Uniform State Laws drafted a model manufactured housing statute in 2012, since introduced in "short form" in Vermont's Legislature.⁵⁶ This model statute is similar to the reforms already created by the Vermont legislature in 2008, with a few notable differences. Policy makers will need to think carefully before considering any changes to Vermont law to ensure that there are no unintended consequences and also whether any further changes are necessary.

CHAMPLAIN HOUSING TRUST DOWN PAYMENT FINANCING

Even with access to better financing packages, the most significant barrier to the purchase of a new mobile home is the lack of an adequate down payment. Since PMIs usually don't insure manufactured housing loans, many local lenders require an LTV of 80%. Indeed, even if the homeowner qualifies for a 502 or FHA loan, PMI would still be required for LTVs higher than 80%, and remains rarely available, especially for single wide homes located in parks. Thus, the effective LTV required for most mobile home purchases, regardless of the loan program limitation, is 80% or lower. To remedy this the Champlain Housing Trust recently introduced a 0% second mortgage that qualified homebuyers can use to cover the costs of a down payment.⁵⁷

The CHT loan is available for all singlewide and doublewide purchases of 1997 or newer mobile homes. This loan product is financed using affordable housing tax credits and general funds, through VHFA and DHCD, which were approved by the state legislature in 2012. It sets limitations for the maximum loan value based on the age of the home, with only 20% of the value of older homes eligible for finance but a full 50% of the value of 2010 or newer homes. Buyers must contribute 5%, which can be derived from FEMA funds in the case of Irene survivors.

56. <http://www.leg.state.vt.us/docs/2014/bills/Intro/H-337.pdf>

57. Champlain Housing Trust, *CHLF Manufactured Housing Loan Program Product Description*.

Mobile homes financed through this program must be at least ENERGY STAR rated manufactured homes. One hurdle reported by CHT is a current lack of ENERGY STAR rated mobile homes on the market. It expects that success of the program will incentivize local dealerships to carry more ENERGY STAR rated homes on their lots as demand increases over time.⁵⁸

To qualify, homebuyers must complete a homeownership course and have income that is no more than VHFA's maximum income limit (approximately 120% of the HUD Area Median Income). Those making incomes of less than 80% of the county median are preferred. Homeowners must show qualification for a first mortgage of a reasonable interest rate and term. Originally, the CHT capped the maximum allowable interest rate at 7%, but homeowners were having difficulty qualifying for lower-rate loans. Replacing the cap with the "reasonable rate" language has at least kept borrowers away from the 14% and higher loans available at some dealerships and through some lenders. Homes must be inspected and assessed to qualify for financing.

The CHT program has achieved notable success since its inception in the fall of 2012, with 13 of 15 loans projected over FY 2013 completed by November of 2013. They expect to expand the program to 20 loans in FY 2014 and hope to further expand in the future. Some credit for the success is due to statewide interest in the loans and outreach efforts to the state's homeownership centers and mobile home dealerships. Average amount financed varies by home but is usually \$25,000 for singlewides and the program maximum of \$35,000 for doublewides. Most first mortgages are financed by local lenders and a few through dealerships. Rates range between 5% and 8% with local lenders offering somewhat lower rates than dealerships in that regard.

Conclusion

To summarize the points made above, the financing options available to mobile home purchasers are variable; securing the best options depends upon access to the secondary market and certain federal lending programs. To obtain such financing mobile homes must meet requirements that are based on national trends. Much has been done in the state to promote better financing options for mobile homes. Options remain somewhat limited, especially for homes in parks, and will continue to remain so limited until these national trends begin to shift. Even so, Vermont could take steps to position more and more homes within current secondary market requirements, including homes in parks. Thus, the relevant recommendations listed below and discussed in more detail in this report's conclusion focus primarily on ways that the state can promote the best financing options currently available on the market today, while monitoring any shifts in the national market. Finally, ownership interest in land is a common necessary factor to obtaining better financing, coloring many of the other recommendations made in this report.

Recommendations

- » Encourage willing lenders to develop affordable loan products geared towards homes in parks.
- » Support the continuation and expansion of the Champlain Housing Loan Fund Manufactured Housing Loan Program and housing counseling available through homeownership centers.
- » Collaborate with lenders and park owners to develop uniform, equitable terms for park-lender agreements and encourage or require their use.
- » Monitor other states' adoption of the Uniform Manufactured Housing Act and encourage national mobile home titling uniformity.

58. CHT Update at CVOEO MH Roundtable Meeting, 3/1/2013.

BARRIERS TO MOBILE HOME PARK PURCHASE AND DEVELOPMENT

Historic Survey of Mobile Home Park Development in Vermont

Most of Vermont's mobile home park development predates 1970 and the state's land use regulations. As a result, many are nonconformities in regards to their local zoning regulations and are thus subject to a myriad of municipal oversight. While close to a quarter of parks are operated by non-profit entities, the vast majority are privately owned and operated. Regardless of the status of the owning entity, nearly all parks in Vermont are operated as land-lease communities where the resident owns their mobile home and pays lot rent to the park owner who holds title to and maintains the surrounding property and infrastructure. New park development has come to a standstill in recent decades and the state continually loses parks due to closure and change of use. The spring floods and Tropical Storm Irene highlighted and exacerbated these issues.

Anecdotal research with both private and non-profit developers indicates that the reasons for this lack of new park development are primarily economic. In the case of private developers, mobile home parks represent a capital intensive development, the operation of which is highly regulated. Moreover, should the park owner decide to sell, sale notice requirements, while enhancing opportunities for resident or non-profit purchase, can make it more difficult for an owner to sell the park on the open market as private buyers may get discouraged waiting up to 165-days during the notice and negotiation period and take their investment elsewhere. Non-profit developers disagreed regarding the economic viability of new park development, in part because of access to grants and below market financing opportunities. Still, non-profits cited difficulty in obtaining such financing for new projects, spurred in part by the national perceptions of mobile homes as depreciating assets.

HISTORY OF MHP DEVELOPMENT

Mobile home parks have long been a part of the Vermont landscape, with the majority of the state's current parks pre-dating land use regulations. The traditional park model is one where the landowner has developed the infrastructure for mobile homes and charges the homeowner a monthly lease fee. Chapter 153 of Title 10 of Vermont State Statute defines a mobile home park as "any parcel of land under single or common ownership or control which contains, or is designed, laid out, or adapted to accommodate, more than two mobile homes." The vast majority of Vermont's parks were established in the 1960s and these parks are now well over 40 years old. Only 14 parks have been established since 1990.⁵⁹

Currently, 70% of mobile home lots in parks remain in private ownership, 24% are owned by non-profits, and 6% are cooperatively owned.⁶⁰ There has been a steady loss in the number of parks in the state. Since 2001, there has been a net decrease of 16 mobile home parks, and the total supply of lots has decreased by 230 lots. Since 2010, the number of lots decreased by 50 but the number of registered parks increased due to DHCD finding parks that were previously unregistered. The loss of parks is due to a variety of factors including major infrastructure problems such as lack of adequate water supply or sewage disposal. Some owners choose to close their parks in order to use the land for another purpose, sell the land, or retire from the business. Substandard infrastructure, particularly water and wastewater, can also lead to health violations and the possible shutdown of a park, leaving residents in an uncertain situation.

The floods resulting from Tropical Storm Irene significantly affected homes in 16 mobile home parks throughout Vermont. Of those parks, two were completely destroyed and may be closed permanently: Whalley Mobile Home Park (11 lots) and Greens Mobile Home Park (6 lots). Whalley may be redeveloped as another type of housing. Greens was not approved for a FEMA Hazard Mitigation Grant

59. Vermont DHCD 2010 Mobile Home Park Registry and Report. <http://www.leg.state.vt.us/reports/2011ExternalReports/264419.pdf>

60. DHCD park registry: http://www.accd.vermont.gov/strong_communities/housing/mobile_home_parks/facts

buyout, but the state has offered CDBG-DR funds to the town and the park owner. Patterson Mobile Home Park (19 lots) was wiped out but the owner declined an offer of a buyout by the state and is rebuilding, though the final number of lots is uncertain. The flooding also impacted lots in operational parks. Mountain Home Park lost 6 lots because the lots are located in the floodway and Glen Park lost 10. Currently, only 13 of 34 lots at River Run Mobile Home Park, flooded in the Spring of 2011, are leased.

CURRENT BARRIERS TO PRIVATELY OWNED PARK DEVELOPMENT⁶¹

Private developers, utilizing only discretionary capital, tend to develop real estate in the manner that generates the largest possible return on investment. Like any other real estate development, mobile home park development is a capital-intensive practice. Thus, in order for it to become a priority for developers it would need to offer a rate of return at least as high as other development choices requiring the same investment. In other words, developers should be able to build and manage a park, and turn a profit, while keeping rent competitive.

If we extrapolate from the figures on non-profit purchase and rehabilitation of MHPs reported in the first section of this report, per lot development costs appear to range between \$20–\$40,000 depending on park size and infrastructure requirements. A current estimate for park expansion figures costs at \$10–\$20,000 per lot where the park is connected to town water and sewer. For example, assuming the cost per lot is \$24,000, a 30 lot park would cost \$720,000 to develop. Real estate development rates typically range from 3.5–4% interest for a 20 or 30 year term, or 2.8–3% interest for a 10 or 15 year term. Carrying this example further, a 20 year mortgage for the full amount at 3.5%, divided among the lots, equals a monthly cost of \$139 per lot. If one assumes a 30 year term, the burden decreases to \$108 per lot. This equals 35% – 45% of the State Median Lot Rent of \$304, without any consideration for infrastructure maintenance, upgrades, taxes or profits.

61. Much of the material for this subsection is based on a discussion with Stuart Bennett, Esq., park owner and developer. Where other sources are used, they are so noted.

At one time the practice of park owners brokering mobile home sales through direct financing or rent-to-own contracts was a fairly common method for park developers to recoup initial costs to allay debt. Changes to state and federal regulations for sale and financing of mobile homes have curtailed some of these practices.⁶² Additionally, state statute protecting residents' right to sell or sublet their mobile home in the park, and not be evicted except for cause, limit park owners' control over the age and quality of mobile homes in the park. Just like the traditional real estate market, the mobile home market undergoes a "filtering" process—homes remain on site or are sold to subsequent buyers as the original owners either upgrade to a traditional home or a newer, higher quality mobile home. That home in turn is sold to another buyer, and so on. As the home is sold further down the income chain, it eventually reaches a buyer who may not have the means to pay the rent and upkeep the home, which may prompt abandonment. Once abandoned—it becomes the park owner's responsibility to pay for the mobile home's removal and disposal.

Some park regulations, however, encourage park owners to invest in upgrades. Vermont's mobile home park statute allows park owners to raise lot rents to cover capital expenses or financing needed to make large infrastructure improvements (e.g. replace the park septic system or pave all of the roads).⁶³ The cost is divided among the park lots and added as a monthly surcharge on the lot rent for a set period of time.⁶⁴ Once the capital expenditure is paid for rent is reduced to its normal amount. Even though the increase is temporary, the demographics of a park may make such an increase an impossible financial hurdle for some residents and since an increase for a capital improvement can be disputed if the total increase exceeds a specific threshold park owners may not feel that it's worthwhile taking that risk.

Still not all parks are profitable, so owners may choose to either sell or redevelop these parks. In an unregulated market the owner could sell the park to a third party interested in continuing to run it as is

62. 2010 Mobile Home Registry.

63. 10 VSA § 6252(b)

64. *Id.*

or in closing the park and redeveloping the land. The park owner could themselves convert the park into a condominium and sell the lots back to the residents or to other parties or close the park and redevelop the land themselves. In Vermont, and a number of other states, most of these processes are subject to state regulations not imposed on other forms of housing development, which may dissuade a person considering such development on the front end.

For example, in the event of a closure the park owner must notify the residents at least 18 months in advance but if the land is to be sold within the next five years the park owner must give a notice of intent to sell to the park residents.⁶⁵ The purpose of this is to allow the mobile home owners the opportunity to purchase and keep their housing as well as preserve an important source of affordable housing in the state. A notice of intent to sell, with a statement of price and acceptable terms of sale, triggers a 45 day period for the mobile home owners to signify their desire to negotiate to purchase the park as a group through a non-profit approved by them. If a majority of the mobile home owners notify the park owner of their interest, a 120 day period for the two parties to negotiate and secure a deal commences. If no deal is reached then the owner is free to sell to a third party on the open market.

Even if a third party agreement is reached, it must be for a similar price and terms of those offered by the residents or non-profit, otherwise the mobile home owners are given another opportunity notice with another 45-day period.⁶⁶ This relatively lengthy sales process can make it difficult for would-be sellers to find buyers, unless the land is in some way quite desirable or the buyer has patience to wait for the regulatory process to play out. Nonprofits can offer to pay the park's appraised value minus any substantial infrastructure needs, which may or may not be reflective of the park's fair market value if one considers the redevelopment potential of the land.

Another legally allowed possibility under Vermont law is to convert a mobile home park into a

condominium, however, due to the difficulty of the conversion process, discussed in more detail later in this section of the report, it is believed that no park owners have chosen to use this option. The law and due diligence require some significant work and expense by the park owner in preparation for making an initial offer to convert. Residents must vote on the conversion and can effectively stall the process at that point. While some changes in the law might make this a more attractive option to park owners, and perhaps even residents, it is unclear whether this alone would spur any new private park development.

In summary, private developers will invest in mobile home parks if they believe they can profit from their investment relative to other possible investments and risk. Mobile home parks represent a highly regulated market in Vermont, limiting the developer's options. This lack of flexibility may keep would be developers from entering the marketplace.

Alternatives to Privately Owned Mobile Home Developments

In most jurisdictions, including Vermont, the starting point for alternative ownership structures for mobile home parks including, but not limited to, resident cooperative, condominium, and non-profit ownership, are that jurisdiction's regulations regarding park sale, park closure, or park change of use. These events may present a real opportunity to pursue one of the available alternative ownership models. These opportunities, in turn, do not require the development of a new park entirely, but instead simply require a transition in ownership and management structure, thus reducing cost. A natural starting point to understanding alternatives to investor owned parks, then, is a brief examination of the laws of other jurisdictions regarding park closure and sale to determine how Vermont's current structure compares.

When one compares the details and procedure at work in Vermont with those of other jurisdictions, one can easily conclude that Vermont's law is one of the more resident-friendly regimes currently in

65. 10 VSA §§ 6237a & 6242.

66. VSA § 6242 f (1) (A) & (B). A sale price more than 5% below the asking price, or less than 5% above the final written offer from the MH owners, requires a new Notice of Intent to Sell.

place.⁶⁷ It is the only jurisdiction that, in most cases, effectively requires two notices to park residents before closing a park. Other jurisdictions implicitly or explicitly require that residents be represented by an association to negotiate purchase of the park. While laws in some states allow these associations to form ad hoc under the circumstances, Delaware requires that any associations be registered and recognized with the state administrator of mobile homes before it can even be eligible for notice. About half of the jurisdictions surveyed provided some degree of technical assistance for resident purchases.

Although Vermont does not provide technical assistance to residents through a state agency, it does provide money to the CVOEO Mobile Home Program, which has been an instrumental technical assistant for recent resident purchases. The state also provides incentives, the most significant of which is a 7% capital gains tax credit carried over up to three years, to park owners who sell their land to the mobile home owners or a non-profit.⁶⁸

Vermont is one of a few states that offer tax incentives to park owners to encourage the sale of mobile home parks to residents or nonprofits. Of the states reviewed for this report, Washington and Florida lacked income taxes, thereby lacking a method to relieve such taxes in the event of a sale to residents. Still, Washington provides relief from its real estate transfer excise taxes if the sale is made to residents or a non-profit. Oregon provides some tax benefits including relief from property tax assessment for affordable housing properties. In California, property owners are given a complete capital gains tax exemption for sale to low income residents and housing nonprofits, among others, in exchange for a promise to reinvest the gains from the sale in further real estate development within two years.⁶⁹

NON-PROFIT OWNED PARKS

Non-profit ownership of mobile home parks is the most popular alternative to private ownership in

Vermont, with 46 of Vermont's parks owned by non-profit entities. Most non-profit owned parks were acquired from private owners through the sale process outlined in the Mobile Home Park Act. When originally conceived, non-profit purchase was meant to be a transitional phase to eventual resident ownership and the first purchases were made with this in mind. However, for a variety of reasons, almost all of these parks remain in nonprofit ownership to this day. Non-profits receive funding from a number of sources to research feasibility and update infrastructure and endeavor to keep park rents perpetually affordable but the ownership structure remains a land-lease structure with mobile home owners not having any ownership of the land underneath their mobile home and paying lot rent to the park owner.

Non-profits wishing to purchase and develop a park tend to be better off than the private sector in terms of financing, since they are able to access low interest loans and grants from government and quasi-government agencies. Even so, non-profit development of new mobile home parks has not been attempted since the early 1990's. This is in part due to reductions in grant and financing sources for potential non-profit park development and because many funders share the concerns of the conventional financing marketplace: mobile homes are depreciating assets and land-lease parks are less stable for residents.

Finally, there is the land-lease agreement itself. Developments where the underlying land is rented by the homeowner are often not eligible for certain types of funding commonly used to subsidize affordable housing development in the state. While it may be possible and perhaps desirable to develop new parks under a different structure where land is owned rather than leased, this likely means substantially higher costs for the resident or mobile home owner as well.

Non-profit parks and for-profit parks have similar issues in regards to the expenses of park upkeep. For instance, as mentioned earlier in this report, most VT mobile home parks were created prior to the adoption of state rules that regulate potable water supplies and smaller wastewater systems (those that treat less than 6,500 gallons per day of wastewater). The fortunate parks are located in an area where municipal sewer

67. For a detailed comparison of all state laws surveyed for this report, please see the chart located in Appendix 4.

68. 32 VSA § 5828.

69. California Tax Code 18041.5

and water were available. Other parks have had to construct and must maintain water and wastewater systems on-site to serve the residents. Under current rules, should a park's wastewater system fail, the "fix" often requires the costly replacement of the failed system with a new system that meets the current state rule requirements. Many parks were constructed in areas of poor soils or have extreme space constraints so the replacement wastewater system often involves the use of a mound leachfield or even more expensive innovative and alternative technology rather than a conventional septic tank/leachfield system.

Many non-profits use the ANR revolving loan funds to assist such upgrades, especially when they are made on a one for one or per lot basis. Alternatively, the non-profit can apply to the VCDP for CDBG funding for major infrastructure renovation.

Because of these potential costs, the siting of parks is an important factor in park development. For instance, anticipating future upkeep, a single, community septic system is better than on-site, and connection to town water and sewer is better still. Land values should be relatively low, if possible, to further decrease costs. Finally, mobile home parks must be allowed as a use in the zone containing the chosen parcel. Vermont protects mobile homes and mobile home parks, as a form of affordable housing, from discriminatory land use practices. Still, historical or village center zones can prohibit mobile homes in the interest of maintaining the historical character of the area.

RESIDENT PURCHASE AND COOPERATIVE OWNERSHIP⁷⁰

Cooperative housing ownership is not a new concept. Indeed, housing co-ops were the primary type of group housing ownership before being eclipsed by

condominiums in the 1950s. Many New York City apartments are still under cooperative ownership today and Vermont has several housing co-ops, including apartment buildings, attached single family subdivisions, and mobile home parks. Ownership is usually straight forward: residents form a corporate entity which legally owns the park but each resident-member retains a full voting share of that entity. The cooperative ownership corporation may have a board that sees to day to day operations or hire an outside manager but many major decisions—including large capital expenditures and an annual budget—would typically be subject to a member vote according to the corporation's bylaws. Although the state and a number of other organizations encourage resident cooperative purchase of parks, the model has had limited success in Vermont. However, from 2011 through 2013 three new mobile home park cooperatives have been successfully created and purchased their respective mobile home parks.

In New Hampshire the model has flourished. The state created a trust fund with the specific purpose of providing financing for resident mobile home park purchases. As in Vermont, the New Hampshire legislature reformed its laws to give residents the initial opportunity to negotiate and buy a park before it was put on the general market. A key difference, however, is that the law did not extend that opportunity to community development non-profits. Thus, under the New Hampshire model resident ownership was, and for the most part remains, the only option available to residents facing a park sale or closure.

Quite possibly, this apparent lack of alternatives made the program the success it is today. Making the decision to purchase a mobile home park requires considerable energy and devotion to the ideas of self-governance and management. An imminent closure or sale can create a sense of urgency that acts as a catalyst for such energy. In Vermont that sense of urgency is lessened where a non-profit is able and willing to step in to purchase the MHP. Indeed, in some sense the non-profits serve as a kind of market competition in such a circumstance. This is not meant to detract from the obvious, substantial benefits non-profit ownership provides to mobile home communities, only to say that the non-profit ownership model

70. Most of the information in this subsection was acquired during two conversations with Paul Bradley, formerly of ROC-NH, now the president of ROC USA. Additional Sources included Bradley, Paul, *Manufactured Housing Park Cooperatives in New Hampshire: An Enterprising Solution to Owning Homes on Rented Land*, *Cooperative Housing Journal* (National Association of Housing Cooperatives, 2000); Swack, Michael (Carsey Inst., Univ. New Hamp) and Riviera, Jolan, (Sch. of Community Econ. Devel., South. New Hamp. Univ.) *The Experience of the New Hampshire Community Loan Fund in Mainstreaming of Acquisition Loans* (2009).

does not effectively meet a policy goal of maximizing resident ownership of parks.

Be that as it may, the primary reasons for the success in New Hampshire are the dedicated financing from the New Hampshire Community Loan Fund and the extensive technical assistance and entrepreneurial spirit provided by Resident Owned Community, New Hampshire (ROC-NH). In the beginning a relative lack of resources meant that ROC-NH's technical assistance resources focused primarily on the front end in helping communities prepare for purchase and management. As funding increased and conversions became more common, ROC-NH increased the scope of its technical assistance to both ends of the conversion process. Now the organization provides technical assistance through the end of the mortgage period and will make an annual check-in thereafter for the sum of \$250.

The overall demographic makeup of New Hampshire's resident owned mobile home parks is unclear. Still, higher income residents provided a significant but non-essential factor for success for two reasons. First, they tend to have had more experiences with finance and are better prepared for the ownership model and responsibilities, which means less time is spent by the Technical Assistant preparing the community for ownership. Second, higher income homeowners tend to own better quality housing, thus have a greater investment in the character of the park. These are tendencies, however, and some of the state's most successful parks and some of the proudest communities came from the lowest end of the income spectrum.

An absolute necessity for successful cooperative ownership conversions is a majority interest of community members. ROC-NH will not assist resident purchase without support of the majority of residents and typically conversion is supported by a large majority of 70-80%. Perhaps the most telling statistic emphasizing the importance of community determination over all other factors leading to success is this: of the more than 100 resident owned communities in New Hampshire, not one has failed.

ROC USA: Expanding the New Hampshire Model

After the success in New Hampshire ROC-NH formed ROC USA, a national program based on its model, and a financing arm, ROC USA Capital. As a result, the basic process and funding structures in use in NH are available nationwide through ROC USA, its subsidiaries, and partners in other states. ROC USA has a process to train and certify Technical Assistance Providers in new states and regions who then work directly with communities, assisting with appraisal, infrastructure assessment, forming the cooperative corporation, and finding the best financing possible to make a deal go through. Typically, ROC USA Capital provides two-thirds of the funding with the remaining provided by private lenders or other sources. Occasionally, Technical Assistants are able to secure a better financing package for the whole deal with an outside funding source. Most of the time ROC USA provides initial funding to cover the cost of determining the feasibility of resident purchase. Funding currently covers the cost of resident purchase and infrastructure repairs. Products for individual home replacement which can be part of the resident ownership package are being "beta tested" this year (2013) and are expected to be available nationwide by year's end.

CVOEO and Resident Owned Communities in Vermont⁷¹

CVOEO is working in tandem with the Cooperative Development Institute (CDI), a resident ownership Technical Assistant (TA) out of Massachusetts, and part of the ROC USA network and is actively pursuing its own TA certification via ROC USA. CVOEO noted that having a strong resident association in a park, while not essential to the formation of cooperative, laid the groundwork for it, as the social capital necessary was already in place in the community. This social capital and sense of community provided

71. This information was gathered during a discussion with the CVOEO Mobile Home Program staff, as well as Shaun Gilpin's summary of CVOEO's efforts this past year (2012), during the March 1, 2013 Mobile Home Round Table Discussion at UVM.

by resident organizations has implications beyond cooperative formation and CVOEO works tirelessly to assist residents with their organization.

Hurdles exist to facilitating resident associations. The most apparent is pushback from the park owners and operators, which can take two forms. The first is more obvious, where park owners actively dissuade residents from organizing. The second is more subtle, but equally discouraging. This occurs when an owner tolerates (or in some cases, even encourages) the creation of a resident association but then does not acknowledge its input or respond to its suggestions. This undermines any sense of power residents felt they had in coming together and can quickly dissolve an otherwise effective organization. Thus, it is important to work with park owners, particularly those who want residents to organize, and encourage them to work with the groups that form in their parks.

Additionally, CVOEO hopes to revive Vermont's statewide residents association to better facilitate a network of mobile home resident organizations in the state to foster communication and sharing of experiences and resources. In hopes of providing even more resources they also plan to link with the national association of mobile home residents. It is thought that not only will such partnerships assist in resource and knowledge sharing but they will also constitute a stabilizing and legitimizing force in the eyes of park owners who may otherwise be put off by ad-hoc organization.

In a similar vein CVOEO plans to create a network of cooperatives including not only the seven mobile home co-ops but apartment co-ops as well. The goal is similar—to enable cooperative associations opportunities to share their experiences and solutions in support of one another. It is hoped that this network will also provide a resource to resident associations wishing or considering buying their park under a cooperative ownership model. As it stands, cooperatives appear to many residents to be an option requiring hard work and significant risk when compared to the more common buy-out by a housing non-profit.

CONDOMINIUM CONVERSIONS

Another type of resident ownership model is the condominium. Unlike a cooperative, where residents have ownership rights as shareholders in a holding corporation, in a condominium the residents purchase title to their lots and maintain an undivided, proportional interest in the common areas and park infrastructure. In either type residents participate in governance and organization. Park owner initiated condominium conversion is difficult in Vermont and is subject to a storied history beginning with the attempted conversion of Westbury Mobile Home Park, which sparked litigation leading to the Vermont Supreme Court decision in *Russell v. Atkins*, which in turn led to extensive legislative battling and an overhaul of the condominium conversion process in the statute. Suffice to say the current process is extensively controlled by the residents even when initiated by the park owner. Few mobile home condominiums exist in Vermont and to the best of DHCD's knowledge all of them were built that way.

A notice of intent to convert, required six months in advance of formal notice of conversion, must be provided to all residents and the Commissioner of DHCD.⁷² Notice must contain a property description, type of ownership outcome, description of current water/sewer, roads and other infrastructure, plan and schedule for any improvements or upgrades, construction plan and schedule for new buildings, number of current mobile home sites, and the number and anticipated price for new condominium sites. Leaseholders must then elect to convert the park, a super majority of 70% of all leaseholders must vote in favor of conversion, otherwise the park owner must give additional notice to convert, which effectively begins the process over again.

If the vote passes the owner may continue with the conversion process: another more detailed notice is due to residents after six months. This must include extensive financial disclosures, a formal assessment, operational costs, water/sewer certification or upgrade plans, and a formal construction plan. At the time of second notice, a leaseholder conversion period commences, wherein each leaseholder

72. Condominium Act, § 27 VSA 1353

must decide whether to purchase his or her lot. Leaseholders who decide not to buy their lots may still elect to remain and continue their leasehold interest. If they choose to vacate the lot during the notice period, the owner pays relocation costs up to \$2,200.⁷³ If the leaseholder chooses to abandon the home and transfer title to owner or lot purchaser the owner must pay reasonable relocation costs up to \$1,000.

All express and implied warranties regarding the details and the quality of the current park or upgraded infrastructure are enforceable against the owner making the conversion unless they are expressly disclaimed by an “as is” conveyance or description of the property and infrastructure. Lot rent is stabilized at the time of delivery of the initial notice of intent and does not increase until the end of the conversion period or when the owner’s association takes control of the property (whichever is later). Any increases that occur during this time period are unenforceable and their non-payment is excluded from grounds for eviction.

In Delaware⁷⁴ by comparison, park owner condominium conversions are limited in scope—owners may convert no more than 25% of the total lots and land area of a park to a condominium—but the process is streamlined. Owners must provide notice of intent to convert and conversion plan to all affected residents, the remaining residents and resident associations, local land use authorities, the local Attorney General, and the Recorder of Deeds. The affected part of the park then undergoes a standard review process confirming that it either conforms to current local zoning or is a pre-existing non-conforming use, in which case it retains the status and protections as such upon conversion.

A recognized resident association retains a 90 day grace period to exercise the right to purchase the affected section of the park before the conversion. If unexercised, the association’s interest becomes a right of first refusal if the owner decides to sell the affected section to a third party. Upon the expiration of the association’s right to purchase, affected tenants have

a subsequent 90 day grace period to purchase their lot within the affected section. Affected tenants who choose not to purchase their lots retain a 3 year grace period prior to eviction from the affected section of the park. During this time they must be treated fairly (e.g. no retaliatory rent increases). After the 3 years the owner must pay to relocate the tenant to another mobile home park or other housing option.

Using a different approach Oregon⁷⁵ law permits a re-zoning and titling process by which a mobile home park can be converted into a “planned subdivision containing manufactured homes.” To do this the park owner submits a plan of conversion to the local municipality, conforming to a number of restrictions. First, the subject plot of land cannot be increased or decreased in area or number of lots. Second, only manufactured dwellings are allowed on lots; other land—including any unoccupied lots at the time of conversion—becomes common land within the subdivision. The plan must show the plot is in compliance with all codes and conforms to current local zoning regulations which remain in effect, despite subsequent changes, until the park has fully converted to resident lot ownership.

The park owner must provide notice to all park residents detailing the plan for subdivision conversion and the price of the lot. All lots in the anticipated subdivision must be offered to the tenants in those lots before otherwise being offered for sale. Tenants have a 60 day period within which to accept the offer to purchase their lot. Additionally, for another 60 days after the grace period, the owner is not allowed to sell the lot for a price more favorable than the initial price offered the tenant. Assuming the tenant opts not to purchase the lot, and the subdivision conversion will result in displacement, all normal laws regarding termination of a mobile home park tenancy apply. As a result, no improvements may be made to the tenant’s lot until they have left or given permission and the owner must pay relocation fees as outlined in the Oregon Mobile Home statutes for a change of use.

Finally, tenants may opt to continue their tenancy even after the conversion to a subdivision. If they

73. 27 VSA at §§ 1357-58.

74. Cooperative and Condominium Conversion of Mobile Home Parks 25 Del. Code §§ 7101 et seq.

75. Subdivisions in Manufactured Dwelling and Mobile Home Parks, ORS §§ 92.830 et seq.

choose to do this, the landlord tenant laws affecting the parties' respective rights would remain unchanged. In essence, that lot would remain a mobile home land lease tenancy until the tenant elected to terminate or was rightfully evicted.

MOBILE HOME RELOCATION LAWS AND FUNDING STRUCTURES

To provide additional resident protections in park closure or change of use circumstances, including condominium or cooperative conversion, most states have a system to fund relocations of residents displaced by such changes.⁷⁶ None included disaster resilience as a specific basis for relocation funding, though some provided preferential treatment to relocations that resulted from park closure due to owner fraud or health violations. Most state laws exempted evictions that were based upon a state or municipal body using their authority under eminent domain, as well as mutually voluntary relocations within the same park or between parks under the same ownership.

Usually, resident notification is required at least one year in advance of the actual closure or change of use. This notification commences the application process for residents seeking relocation assistance from the state, where applicable. Park owners may be required to pay a portion of the relocation costs to displaced tenants or back into that state's relocation fund.

The fund itself is administered by a branch of the state or a specially created pseudo-agency or public

corporation. While most jurisdictions call it a "Trust Fund" it typically operates more like insurance. Funds are financed by either monthly or annual per lot assessments—which may be split between the resident and the park owner—or through title transfer fees. Assessments are typically quite low, \$3–5 per occupied lot, transfer fees of \$100 per transfer, so some states allow fund administrators to invest or obtain additional funding through outside sources.

The dispersal process is usually straightforward, amounting to a displaced homeowner filling out an application for assistance. As stated above, some states will preference certain relocation circumstances over others. This is especially true where funding is limited. States limit dispersals to the actual costs of the relocation within a defined geographic area (usually between 25 and 50 miles from the original park), but are also capped at maximum amounts. Typically doublewide or larger homes have a higher maximum dispersal than singlewides. Some limit dispersal assistance based on the value of the home and provide for an alternative "voluntary abandonment" process. Here, a home ineligible for relocation is abandoned and the cost of removal and deconstruction is paid from the fund. Usually a smaller payment is made to homeowners who choose to abandon the home but in Washington homeowners who voluntarily abandon their homes can be eligible for the full relocation amount and the remainder may be used as down payment assistance on a replacement home.

FINAL THOUGHTS ON THE ADVANTAGES AND DISADVANTAGES OF ALTERNATIVE OWNERSHIP STRUCTURES

One of the best ways to open the doors to better financing for homes situated in parks is to enable those homeowners to obtain an "ownership interest" in the land supporting their home. Cooperatives present an opportunity for homeowners to have sufficient ownership interest in the land to obtain better financing opportunities. There is additional evidence from the State of New Hampshire, where this form of ownership is most prevalent, that given the right circumstances, mobile homes in cooperative parks can appreciate in value.

76. For a more detailed synopsis of these laws, please see the chart found in Appendix 4. Oregon has no relocation fund, so park owners must notify each tenant of the termination of the use or conversion to subdivision at least a year in advance and pay their reasonable relocation costs. The amount paid must be the cost of relocation up to \$5000 for a single wide, \$7000 for a double wide, and \$9000 for a triple wide or larger dwelling. Abandoned mobile homes are treated in a similar manner to other abandoned property, but with a longer period of storage before the park owner is allowed to post a notice of sale, as well as a longer waiting period between the notice of sale and the actual sale of the home. After an abandoned mobile home is sold, park owner may take storage, handling costs, and unpaid rent from the proceeds; any remaining proceeds go to pay unpaid property taxes or assessments, and whatever remains is to be remitted to the tenant. The landlord is required to duly follow the notice procedure unless the mobile home was abandoned under a mutual agreement between the landlord and tenant, in which case the landlord is permitted to move directly to sale of the home.

However, not every park can or should be organized as a cooperative, as they require a reliable group of community-minded residents, a capable group of committed leaders, and a cooperative willingness to take on substantial responsibilities. For mobile home residents who are less community oriented this may not be a palatable solution. While rent is lower in cooperative parks generally, the initial financing required to purchase and make necessary improvements can translate into higher rents at the outset. Thus, even though resident-leadership can be trained and supported with technical assistance, the residents' capacity to absorb increased rent can be a significant impediment to their ability to "go co-op."

Even more than cooperatives, condominium conversions currently have very limited applicability in Vermont, although presumably private park owners might welcome new opportunities to sell their property if the state were to ease the process by which condominium conversions could occur. In all likelihood, the most ideal park candidates for condominium conversion would also be the most ideal candidates for cooperative conversion: parks which residents have more stable and higher incomes and/or contain higher quality homes and infrastructure.

Municipal Bylaws and Processes Affecting Mobile Home Park Development

Neither private nor non-profit developers noted land use regulations or process as a significant hurdle specific to new mobile home park development, focusing instead on the impact of unanticipated upkeep costs—such as heightened cost of replacement of on-site sewer due to new federal regulation and the legal and practical costs of abandoned mobile home removal. Still, park siting, and especially park access to municipal water and sewer, can do much to allay these costs and local land use regulations play a key role in determining which otherwise developable parcels are actually feasible to use. Despite recent amendments to Vermont law specifically protecting

mobile homes and mobile home parks from discriminatory land use decisions, mobile home park development remains subject to extensive variability. Moreover, such development receives more or less pushback depending on the culture of the town, increasing the chances of mobile home development in some communities as opposed to others.

In an effort to ensure that land use regulations covering mobile homes and mobile home parks comply with Vermont law, the Department released guidelines for land use planners.⁷⁷ These guidelines work through all of the practical implications of the laws and regulations and make suggestions to municipal and regional planners to ensure compliance. While this document is quite useful, it alone does little to eliminate inconsistencies in bylaws across the state. These bylaws will remain subject to much variability because much of Vermont's land use decision making authority rests with the towns. Thus, it behooves the state for DHCD to not only continue to work in its advisory capacity but to also employ regional planning commissions to provide guidance to municipalities, address inconsistencies in municipal bylaws, and recommend future changes, thus ensuring compliance with the law and minimizing variability.

Recommendations

- » Continue to provide support to CVOEO in its ongoing work to build a network of mobile home resident associations and further support its work as a Certified Technical Assistance Provider in the ROC USA network.
- » Consider inclusion of sale and redevelopment of high risk parks in the capital gains exemption for mobile home park sales to nonprofits or resident cooperatives.

77. Vermont Dept. of Econ. Housing and Community Dev., *Mobile Home Park Guidance for Municipalities*, (July, 2012).

MOBILE HOME INNOVATIONS AND REPLACEMENTS

Permanent Structures as Mobile Home Replacement

VHCB MANUFACTURED HOUSING INNOVATION PROJECT REPORT

In May 2012, the High Meadows Fund provided a grant to the Vermont Housing and Conservation Board to explore energy efficient mobile home replacement options. VHCB organized a working group whose members included, among others, representatives from the State DHCD, non-profit housing organizations, the VHFA, Efficiency Vermont, the UVM Dept. of Community Development and Applied Economics, and the CVOEO Mobile Home Program. It organized four subcommittees; each respectively tasked with researching Design, Finance, Legal Issues, and Outreach Strategies and met regularly to discuss findings. The research results have been compiled in a report that can be found on the VHCB website; a summary of the report's conclusions follows.

CONCLUSIONS AND RECENT DEVELOPMENTS⁷⁸

Commonly manufactured HUD certified homes that are called "energy star" do not meet Vermont's ENERGY STAR or RBES standards. The estimated purchase price of these homes is approximately \$45,000. It is possible to design and build a high energy performance home for an estimated purchase price of \$77,000.⁷⁹ That price would decrease by

approximately 10% if the market encouraged manufacturers to produce a number of these homes. As is the case with more conventional mobile or manufactured homes, there will be additional set-up and other costs in addition to the purchase price of the home. Homes that meet intermediate level energy standards, although slightly less expensive than a high performance home, still come at a substantially higher cost than a basic HUD home. Moreover, intermediate level homes may not be cost effective in comparison to a high performance home because the energy savings are not enough to offset the additional cost of the home.

A high performance home would use just 29% as much energy as a HUD compliant home of the same size. Assuming conventional loan terms for manufactured housing (8%, 20-year, 20% down), the monthly housing cost for a high performance home versus a HUD home of the same size is an additional \$13 per month. In order to achieve the same initial monthly housing cost for both options, the high performance home would require a subsidy of approximately \$1,554 beyond the buyer's down payment. Over time, as energy costs increase, the monthly housing cost for the high performance home stays relatively flat while the cost of the HUD home escalates significantly. In either case, however, the housing costs may be out of reach of many, if not most, potential buyers.

Vermont land use law appears to allow for replacement of mobile homes within mobile home parks with more permanent structures, however, a legal "gray area" exists where the definition of "mobile home park" intersects with the law of nonconforming use. The definition of "mobile home park" is based on the infrastructure necessary to support mobile homes, not the actual placement of mobile homes in the park. Vermont law protects non-conforming "mobile home parks," but courts do not always apply strict definitions to determine whether a form of land use has undergone a change of use. Thus, while permanent replacements conform to the definition and appear to remain protected, whether these replacements would result in a change of use may be left up to the courts.

VHCB staff proposed that language amending the definition of "mobile home park" to include

78. VHCB Mobile Home Innovations Report http://www.vhcb.org/tempdfs/manufactured_housing_innovation_project-sm.pdf

79. While the VHCB report cites this figure, the subsequent pilot project carried out to construct the energy efficient units realized a projected sale price of \$90,000. As of this writing, it is unclear whether economies of scale could be applied to bring down this price point to the initial estimate.

properties where permanent dwellings replaced existing mobile homes be inserted into a Comprehensive Energy Bill being considered by the Vermont legislature. Feedback from the land use and planning community was mixed, with many concerned that parks with replacement homes would look more like subdivisions and others concerned about the ownership rights of tenants in land lease circumstances. Ultimately, DHCD did not support the language because the need for it and implications were not yet clear and the legislature declined to include the proposed language.

The Mobile Home Innovations Project (MHIP) Working Group concluded that, because market interest is unknown, but some designs show significant promise, a pilot project should be undertaken. The VHCB board of directors voted to set aside \$200,000 to produce 10 pilot homes in order to gather information in the following areas: (1) real life capital costs of constructing the homes including delivery and installation; (2) energy performance of the homes over time; (3) operating cost over time; (4) consumer interest and preferences; (5) consumer ability to obtain financing; and (6) home value over time.

Ten pilot homes are being constructed in White River Junction using highly energy efficient construction expected to reduce energy costs by 70% over a typical HUD-code home. The pilot homes are being sold through Vermont's five homeownership centers with purchase subsidies to make the initial purchase more affordable. The first home, unveiled in October 2013, is expected to be put in one of Twin Pines Housing Trust's mobile home parks. Each home will be sited on a permanent frost protected foundation, further enhancing the efficiency and durability of the homes.

Apart from the VHCB pilot program, the Vermont Housing Finance Agency released \$75,000 in tax credits for a replacement project conducted by the Addison County Community Trust (ACCT). Five classroom trailers have been retrofitted to meet Energy Star standards and will replace as many mobile homes in two of the ACCT's parks. ACCT plans to work with a builder to manufacture an additional five replacements.

Cottage Zoning as an Alternative to Mobile Home Parks

Cottage zoning is a tool that ties residential development density to the square footage of the structures being developed. It does this by providing three universal limitations: a "footprint limitation", an overall "square footage limitation" and a "building area limitation".⁸⁰ For example, Lebanon New Hampshire's proposed cottage and bungalow zoning bylaw attaches a minimum 3,000 s/f "building area requirement" to cottages—defined as residences having no more than 1,000 total s/f and a 750 s/f footprint. While it allows cottage infill and accessory buildings without subdivision, the ordinance would also permit "clusters" of higher density cottage, bungalow and mixed developments within a zone, capped at 12 units per cluster. Other versions of cottage zoning provide for a density allowance that is inversely proportionate to the footprint of structures.⁸¹ For instance, if the development is to comprise of structures with no more than 1,000 s/f footprints, the development can be 150% of that of the underlying zone; if no more than 750 s/f, then 200% of the underlying zone's density.⁸²

To incorporate cottages into prior development patterns many ordinances protect current structures within the boundaries of a proposed cottage development as one of that development's allowable units.⁸³ Thereafter, each is treated as a non-conformity within that development, subject to the municipal limitations on expansion or alteration.⁸⁴ Cottage zoning, then, would allow the rezoning of a whole mobile home park into a conforming use, while still ostensibly "protecting" any remaining non-conforming mobile

80. Neimczyk, Ken, et al. Cottage Zoning Subcommittee, City of Lebanon, NH Planning Commission, Draft Cottage Zoning and Bungalow Ordinance at §§ 507.5 and 507.7 and Appendix (2009). (hereafter Lebanon Draft Ordinance).

81. City of Kirkland Planning Commission, Kirkland Zoning Code § 113.25 (WA, 2009).

82. *Id.*

83. See, e.g. Lebanon Draft Ordinance at §508, §507.7(E).

84. *Id.*

homes as individual structures.⁸⁵ Thus, cottage zoning and development may be a model for a new development similar to that of mobile home parks but not a means to convert current parks to a new ownership model.

Next Step Network⁸⁶

Next Step Network is a national non-profit organization that links non-profits to manufactured housing builders in order to replace HUD 1976 and older model mobile homes with new models rated national ENERGY STAR for manufactured housing. Next Step provides technical assistance for the non-profits to make direct orders from the manufacturer for a wide variety of replacement dwellings and it underwrites the financing for Next Step homes installed to its specifications. As this process eliminates the mobile home/manufactured housing dealership, the non-profits can offer competitive, factory-direct pricing for energy efficient homes. For example, Next Step's most popular home is a singlewide replacement that retails at around \$65,000 installed on a permanent foundation.⁸⁷ Next Step currently has partnerships with three national manufacturers and more are planned. It supplies a wide variety of home styles at various price points, from its lowest end singlewide home replacement to fully customizable "shell design" homes. Post Hurricane Sandy, Next Step showcased new designs, all of which significantly exceeded national ENERGY STAR standards. It intends to go even further by incorporating solar arrays and fixtures into some designs.

Most replacements have been of homes on owned land, although replacements in communities have become more and more popular and Next Step recently established a partnership with ROC USA. It will only replace homes in parks that are resident owned through a cooperative or condominium arrangement or in parks that are owned by a non-profit under a shared equity agreement or subject to a long term, stable lease (e.g. not an annual lease). Next Step does not replace homes located in private parks subject to land-lease agreements.

Next Step hopes to use replacements to transform the character of the mobile home and manufactured marketplace to one that builds equity for residents. It requires permanent, FHA Title II foundations on private land and recommends such foundations for its replacements in communities.⁸⁸ This way, most of its replacements become eligible for FHA-approved mortgages, greatly increasing an initial homebuyer's financing options as well as those of a buyer at resale. Using economies of scale by placing orders with its suppliers in groups, Next Step can reduce its cost for each home. Next Step also provides siting and aesthetic guidelines for mobile home foundation and installation work, as aesthetics, along with land ownership and reasonable financing, is a factor linked to home value performance.

Currently, Next Step has no partners in the State of Vermont, but its New Hampshire partner, AHEAD (Affordable Housing Education and Development), has expressed plans to expand its service area into Vermont and Maine. A partnership between Next Step and Efficiency Vermont, CVOEO, and/or CHT could be beneficial.

85. Still, even under current Vermont law, stricter local bylaws can limit the "whole lot" review of the park as a non conformity, as per 24 VSA § 4412(7)(B), effectively allowing towns to subject mobile home replacements to a review process, particularly in case where the replacement is larger than the original dwelling. This appears no different, in theory, than subjecting individual mobile homes to review as preexisting non-conformities.

86. Most details in this section are based on a discussion with the Next Step Network CEO, Stacey Epperson. General information can be found at the Next Step Network and AHEAD websites.

87. The metrics established by the Design Committee of the MHIP Working Group, by comparison, estimated that such a home, without foundation, would cost approximately \$75,000.

88. Specific guidelines for foundations, anchoring and support structures, as well as aesthetic considerations are available from the Network by request.

Recommendations

- » Explore collaboration between homeownership centers, Efficiency Vermont and the Next Step Network as one mechanism for improving access to efficient replacement mobile homes.
- » Further study the development and operational costs of similar, alternative affordable housing development, such as cottage developments, and encourage that development if financially viable.
- » Support the Manufactured Housing Innovations Project and monitor the progress of the pilot program for impediments to replacing mobile homes in parks with alternative, energy efficient dwellings.

PARK INFRASTRUCTURE AND MAINTENANCE

Background

Park owners are responsible for the maintenance of their properties, including park roads, and do so with varying regularity and success. There are anecdotal reports that roads in some MHPs are consistently troublesome, particularly those that are unpaved during mud season. Some parks have been refused mail service due to poor road conditions but no park has yet been denied emergency response due to road conditions.

The current habitability requirements do not require park roads be paved or hard surfaced and some park owners have reported that such improvements would considerably increase maintenance costs. On the other hand, no effective mechanism exists to enforce road conditions within parks. Indeed, while their conditions have amounted mostly to resident inconvenience, it is possible that conditions may reach a point where they would limit the ingress or egress of emergency response vehicles, which could be a considerable risk to health and safety.

Despite the Legislature’s concern about roads, the most commonly cited infrastructure trouble spot was water and sewer systems. An illustrative exchange with the largest non-profit park owner estimated that while they screened approximately 10-15 complaints about park road conditions annually, mostly confined to the few weeks of mud season every spring, they received close to 50 or 60 complaints about water pressure, water quality, or sewer backups.

Additionally, CVOEO receives consistent feedback regarding common area maintenance and dead trees and limbs in mobile home parks. While the state does not have enforcement of these issues, DHCD updated its Housing Division Rules in February 2013 in response to these concerns in order to provide more clarity of the responsibilities of park owners and residents.

MHP Habitability Requirements

Vermont established habitability requirements for all mobile home parks, which are easily accessed through the DHCD website. These provide the minimum standards to insure the health and safety of park residents—clean water access and appropriate sewer, roads that provide good egress and ingress, are reasonably free of potholes and are maintained on a reasonably regular basis to be free from ice, snow, and debris. However, although the Mobile Home Statute (Title 10 Chapter 153) requires that DHCD adopt habitability rules in conjunction with other state agencies, the Department does not have enforcement jurisdiction under the statute. Leaseholders’ remedies are itemized in the statute, however, the problem must rise to the level of “materially affecting health and safety” before these can be accessed.

Until 1970 the State of Vermont did not regulate mobile home parks. In that year permits using layout and water and sewage standards were required for new parks but existing parks were grandfathered. Some expansion of existing parks was even allowed without permitting or requiring proof of adequate

water and sewage systems.⁸⁹ The mobile home park permit requirements were repealed in 2002 with the passage of the onsite sewage law. The Agency of Natural Resources retains jurisdiction over water and sewer systems and subjects public community water supplies to annual review. Because the costs of water and sewer maintenance and upkeep can be quite high, ANR also retains a revolving loan fund for water and sewer upgrades and repairs.

Since multiple state agencies retain some rulemaking and enforcement authority regarding Vermont's mobile home parks, an Interagency Compliance Group was formed including members of all of these authorities. In cases where one of the departments had some enforcement authority, the compliance group served to help make decisions on when it was appropriate for those other departments to act, or refer complaints to the AGO. This group has not been recently active.

As it is, towns cannot enforce requirements unless the status of the park clearly violates the town bylaws or codes. Additionally, some town bylaws may not even apply where parks are preexisting nonconformities but towns clearly have jurisdiction to enforce public health and safety codes and to issue health orders. Towns may report violations to the appropriate state authority for enforcement purposes, or bring action to enforce their orders in court. Theoretically, a park or mobile home lot could even be closed (temporarily or permanently) if the owner refuses to comply and make the proper corrections. The DHCD lacks authority to enforce its habitability requirements and no kind of fine structure is in place for violations.

Vermont's mobile home act includes provisions that allow affected leaseholders to withhold rent until a problem is fixed, or to correct a minor defect or non-compliance themselves and deduct the cost from their rent, similar to provisions in Vermont landlord tenant law. These withholdings are limited to circumstances that endanger the health or safety of the residents. In

the case of minor defects or noncompliance only up to half the month's rent can be deducted.

Comparison with other Jurisdictions⁹⁰

Federal law permits states to implement and enforce their own standards for mobile home installation and support structures, so long as they meet or exceed the model federal installation standards.⁹¹ Thirty seven states have established agencies that regulate and enforce mobile home laws in compliance with HUD's rules and Federal Statutes.⁹² Five of the states whose mobile home laws were carefully examined for this report—California, Florida, New Hampshire, Oregon, and Washington—have state administrative agencies that oversee mobile home manufacture and installation. Only Delaware shared Vermont's strategy of leaving mobile home installation regulation and enforcement to HUD and the federal government.

Federal law does not preempt larger land use regulation or the regulation of park infrastructure. Most of the state laws surveyed had some park requirements establishing minimum infrastructure in mobile home parks in the state. While all states had minimum habitability requirements similar to those established by DHCD, many infrastructure requirements go further, including minimum mobile home lot sizes, minimum street widths, and minimum space between mobile homes and accessory buildings. In Vermont most of these issues are regulated locally through zoning ordinances, however, state law protecting mobile homes and parks prevent such ordinances from resulting in the closure of lots in existing parks. Pre-existing parks were often exempt from the rules, unless altered or expanded, and then infrastructure standards applied to the altered or

89. Hamlin, Arthur, et. al., Vermont Department of Housing and Community Affairs, 2004-2005 Vermont Mobile Home Advisory Commission Final Report: Recommendations to Improve the Contribution of Manufactured Housing to Vermont's Affordable Housing Needs, (January 2006).

90. For a detailed breakdown of the requirements in each jurisdiction, as well as citations to that jurisdiction's relevant statutes and regulations, please see the table in Appendix 4.

91. 42 USC § 5403(d) & (g), § 5404.

92. http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/rmra/mhs/mfsheet

new sections of the park. Some requirements focused intently on issues unique to that state’s geography and soil makeup—issues related to standing water in Florida, or seismic activity in Oregon and California, for instance. At least one set of regulations contained rules regarding management of trees within the park boundaries. While some states left most mobile home park infrastructure requirements up to the local land use authority, others keep it extensively regulated on the state level.

Licensing and Registration

All of the state laws surveyed created some sort of licensing structure for mobile home parks in each of the respective states. The agency with licensing authority often had authority to inspect and enforce infrastructure and habitability requirements but this was not always the same entity in charge of installation and manufacture requirements. For example, in Oregon, while its Department of Consumer and Business Services has authority over mobile home park licensing, most of its mobile home infrastructure and habitability laws are a subsection of its regular landlord tenant law and violations may be subject to criminal charges and fines.

Vermont is the only New England State that does not have a MHP licensing process. Unlike other states, all MHPs in Vermont are required to register annually with DHCD, providing basic information about the park including whether the park is served by municipal water and/or sewer and what services are included in the lot rent. The DHCD can use the information to track rents and vacancy rates over time and submits periodic reports to the State Legislature every three years outlining trends and findings. A registration fee is paid for each “occupied leased lot” in the park, which is used to support DHCD’s mobile home park program and lot rent mediation costs.

As with the states surveyed in this report, licensing fees, requirements, and consequences of suspension vary. While some states use a per lot fee assessment, others implement a sliding scale based on park size. License fees may be due at park establishment, for

any park expansions, and subject to a yearly review and renewal process. Often certificates or approval from the state water department, approving the quality of the water system, are required for renewal. The state licensure agency retains the right to revoke a current license or deny a renewal, subject to a hearing establishing evidence of a violation of state or local laws. Penalties for operating without a license or with a suspended license can be onerous, sometimes amounting to \$300 per day until the problem is fixed. Some state authorities retain the power to order a park closure if the conditions of the park warrant it.

Conclusion

Reestablishing the Interagency Mobile Home Park Compliance Group is advisable so that enforcement agencies can work in concert. As a historically established entity overseeing mobile home parks, the Compliance Group is a logical place to start should the state seek to enhance the enforcement of park standards. Should the state decide to develop and implement its own MH installation guidelines pursuant to HUD, this group could help determine which state agency is appropriate to take on those responsibilities. States that choose to oversee HUD’s installation standards receive funding on a per unit basis, which may balance out the additional administration costs. Even if the state does not choose to use the Compliance Group as a primary enforcement entity, its function as a means to facilitate communication amongst the different agencies overseeing mobile home park standards in the state warrant its revival.

Alternatively, the remedies available to park residents for violations of the habitability requirements could be amended to enable poor road conditions to be considered related to “the health, safety and welfare” of MHP residents if such conditions could be shown to slow or prohibit emergency vehicle ingress or egress. Any change to the habitability requirements or leaseholder remedies would require legislation to be proposed and enacted.

Recommendations

- » Reestablish the Interagency Mobile Home Park Compliance Group comprising ACCD, ANR, the Division of Fire Safety, the Attorney General's office and the Health Department.
- » Consider expanding park habitability requirements to include more specific infrastructure guidelines and enhancing state or local oversight and compliance.
- » Consider revising the Mobile Home Statute to include potential emergency vehicle ingress and egress as an item for which rent may be withheld by mobile home park residents.
- » Engage with the Division of Fire Safety to create a measurable standard for road conditions that would ensure emergency vehicle access to homes within a mobile home park.
- » Work with non-profit park owners and advocacy agencies to aggregate data on frequency of specific types of habitability issues in order to inform rulemaking efforts.

PART III

Challenges and Recommendations

HISTORIC AND CURRENT CHALLENGES

Perceptions, finance and geography all play a role in defining some of the challenges associated with living in a mobile home or owning a mobile home park. There is a correlation between affordable housing and affordable land; for this reason, many of Vermont's parks were developed in rural areas on low lying land more prone to flooding. The majority of the state's mobile home parks were also built before land use regulations. The development of new parks comes with many, often difficult, permitting challenges.

The park owner controls park rules, such as lease terms and rent, and is responsible for providing services, leaving park residents with little bargaining leverage while dealing with the difficulty of being

both a homeowner and a tenant. The costs associated with moving a mobile home can be more than the value of the home itself, leaving the homeowner in a precarious situation if the park gets closed or sold, becomes unaffordable, or problems with water or septic systems develop.

Since 2001, there has been a net decrease of 16 mobile home parks and the total supply of available lots has decreased by 230 lots. A significant factor contributing to these reductions is the development infrastructure problems, such as lack of adequate water supply or sewage disposal. Some owners have closed parks in order to retire from the business or convert the land to a different use. Substandard and deteriorating infrastructure, particularly water and wastewater, can also lead to health violations and the possible shutdown of a park—leaving residents in an uncertain situation. When considering the disaster vulnerability of Vermont's mobile home residents it

is important to recognize that social characteristics can amplify these households' physical vulnerability to disasters. Households with lower levels of income and education, typically associated with affordable housing communities such as mobile home parks, are less likely to be prepared for disasters and have fewer resources to recover from disaster events. Previous studies of mobile home park communities have found that parks tend to be comprised of low to moderate income households.⁹³

RECOMMENDATIONS

The recommendations in this plan involve a number of considerations and seek to balance the most critical risks to mobile home park residents with the feasibility of addressing these risks in a time of tight budgets and limited resources. These recommendations also include expenses that involve one-time capital improvements as well as others that are operational in nature and will require on-going funding and support. As a whole, these recommendations seek to improve the viability and resilience of mobile home ownership and mobile home park communities.

Improving Disaster Resilience

STATEWIDE EFFORTS

- » Maintain and make publicly available the Mobile Home Park Risk Assessment Tool.
- » Clearly specify the state's priorities for funding replacement, development, preservation, or relocation of parks at risk in the HUD Consolidated Plan.
- » Utilize current state and local emergency planning mechanisms and capacity to increase preparedness of parks and response capabilities

93. Baker, Hamshaw, Beach. (2011). A Window into Park Life: Findings from a Resident Survey of Nine Mobile Home Park Communities in Vermont. *Journal of Rural and Community Development*.

of local and state entities. Incorporate mobile home and mobile home park-specific information into state-sanctioned emergency operations plans for appropriate towns and cities and state and local hazard mitigation plans.

- » Establish a tracking mechanism that collects prior damage and losses for mobile homes and mobile home park owners to increase eligibility for hazard mitigation grant funding.
- » Consider legislation to provide enabling authority to towns to "condemn to destroy" a residential property in the event of a presidentially declared disaster.
- » Identify a sustainable funding source to develop and maintain the DEC fuel tank upgrade and replacement grant program and explore additional options to assist residents in securing ASTs.
- » Enhanced coordination with FEMA to assess the potential of using non-FEMA trailers when an opportunity for new MHP development by FEMA arises from a declared disaster.
- » Promote, seek and develop resources for flood-proofing, elevation, and tie-downs for mobile homes and ASTs, and other critical park infrastructure.

LOCALLY TARGETED

- » Support and encourage mobile home community, owner and resident education and planning, including through resident associations, to increase disaster preparedness and emergency management capacity.
- » Include condemnation guidance in disaster training and education for local health officers.
- » Establish a process for identification of land out of flood hazard areas in existing parks where lots could be developed and alternative parcels for new mobile home parks when an opportunity arises.
- » Ensure disaster case managers, homeownership centers and long term recovery committees are trained in recovery issues, best practices, and strategies specific to mobile homes.

- » Establish a process for identification of vacant lots in existing parks outside flood hazard areas that could be considered for temporary housing post disaster.
- » Develop a best practices list for towns and RPCs regarding demolition and debris removal and HMGP eligibility.

INDIVIDUAL SCALE

- » Encourage each mobile home park to adopt an emergency preparedness plan.
- » Develop a disaster recovery roadmap for mobile home owners whose homes have been affected by disaster.
- » Develop guidance document for residents, park owners and contractors for the removal and disposal of mobile homes destroyed by a disaster including the management of hazardous waste.
- » Seek opportunities to relocate or create new lots when high risk parks are in transition through sale or closure processes.
- » Work with owners of high risk parks to identify potential reconfigurations or expansions to remove homes from flood hazard areas.

Improving Mobile Home Park Viability

STATEWIDE EFFORTS

- » Support the continuation and expansion of the Champlain Housing Loan Fund Manufactured Housing Loan Program and housing counseling available through homeownership centers.
- » Monitor other states' adoption of the Uniform Manufactured Housing Act and encourage national mobile home titling uniformity.
- » Encourage willing lenders to develop affordable loan products geared towards homes in parks.
- » Explore collaboration between homeownership centers, Efficiency Vermont and the Next Step

Network as one mechanism for improving access to efficient replacement mobile homes.

- » Continue to provide support to CVOEO in its ongoing work to build a network of mobile home resident associations and further support its work as a Certified Technical Assistance Provider in the ROC USA network.
- » Further study the development and operational costs of similar, alternative affordable housing development, such as cottage developments, and encourage that development if financially viable.
- » Reestablish the Interagency Mobile Home Park Compliance Group comprising ACCD, ANR, the Division of Fire Safety, the Attorney General's office and the Health Department.
- » Consider expanding park habitability requirements to include more specific infrastructure guidelines and enhancing state or local oversight and compliance.
- » Consider revising the Mobile Home Statute to include potential emergency vehicle ingress and egress as an item for which rent may be withheld by mobile home park residents.
- » Engage with the Division of Fire Safety to create a measurable standard for road conditions that would ensure emergency vehicle access to homes within a mobile home park.
- » Consider inclusion of sale and redevelopment of high risk parks in the capital gains exemption for mobile home park sales to nonprofits or resident cooperatives.

LOCALLY TARGETED

- » Work with Regional Planning Commissions to address inconsistencies within and among municipal mobile home park regulations and determine the effect, if any, on further development.
- » Support the Manufactured Housing Innovations Project and monitor the progress of the pilot program for impediments to replacing mobile homes in parks with alternative, energy efficient dwellings.

INDIVIDUAL SCALE

- » Collaborate with lenders and park owners to develop uniform, equitable terms for park-lender agreements and encourage or require their use.
- » Work with non-profit park owners and advocacy agencies to aggregate data on frequency of specific types of habitability issues in order to inform rulemaking efforts.

The Department of Housing and Community Development will work with interested parties to examine and act on the recommendations of this report. This will include representatives of mobile home residents, public and private park owners, advocates, state agencies, funders, lenders and other organizations engaged in mobile home and park issues. The Department and its partners will focus on identifying current efforts and resources that can be expanded upon or supported to implement these recommendations. Together, they will also determine where the capacity (operational and financial) and opportunity exist to pursue the recommended new initiatives.

Appendices

APPENDIX 1

FEMA Resources

INFORMATION ABOUT MULTIPLE FLOODPROOFING TECHNIQUES

Protecting Your Home and Property from Flood Damage: Mitigation Ideas for Reducing Flood Losses, FEMA P-805 (2010):

<http://www.fema.gov/library/viewRecord.do?fromSearch=fromsearch&id=4654>

Information about repairing a flood-damaged house and reducing the risk of future flood damage.

Homeowner's guide to Retrofitting: Six Ways to Protect Your House from Flooding, FEMA P-312 (2009):

<http://www.fema.gov/library/viewRecord.do?id=1420>

Information about floodproofing options and guidance to help in decision making; designed for readers who have little or no knowledge about flood protection methods or building construction techniques.

Repairing Your Flooded Home, FEMA P-234 (2010):

<http://www.fema.gov/library/viewRecord.do?id=1418>

Detailed advice on post-flood cleanup and repair; includes information about preparing for the next flood.

Flood Proofing: How to Evaluate Your Options, U.S. Army Corps of Engineers (1993):

<http://www.nwo.usace.army.mil/nfpc/fphow/ace8.htm>

Information to assist with determining whether or not floodproofing is appropriate and which technique is the best measure to consider; includes a benefit/cost analysis technique.

Selecting Appropriate Mitigation Measures for Floodprone Structures, FEMA 551 (2007):

<http://www.fema.gov/library/viewRecord.do?id=2737>

Guidance for community officials developing mitigation projects that reduce or eliminate identified risks for flood-prone structures.

Engineering Principles and Practices for Retrofitting Flood-Prone Residential Structures, FEMA 259 (2001):

<http://www.fema.gov/library/viewRecord.do?id=1645>

Detailed manual (over 800 pages) for engineers, architects, and building officials on engineering considerations for retrofitting flood-prone buildings; includes information about evaluating structures, hazard identification, economic analysis, alternative selection, and design criteria.

Flood Proofing Systems and Techniques: Examples of Flood Proofed Structures in the United States:

<http://www.nwo.usace.army.mil/nfpc/fpsys/ace9.htm>

Illustrates various types of floodproofing techniques with numerous examples for new construction and retrofitting of existing buildings.

FLOOD RESISTANT MATERIALS AND CONSTRUCTION

Flood Damage-Resistant Materials Requirements for Buildings Located in Special Flood Hazard Areas, Technical Bulletin 2 (2008):

<http://www.fema.gov/library/viewRecord.do?id=1580>

Information about requirements for flood-damage resistant materials and a table describing five classes of building materials ranging from those that are highly resistant to floodwater damage to those that have no resistance to flooding.

Flood Resistant Design and Construction, American Society of Civil Engineers (ASCE) 24-05:

Purchase at www.asce.org, highlights available at: <http://www.fema.gov/library/viewRecord.do?id=3515>.

ELEVATION AND RELOCATION OF BUILDINGS

Above the Flood: Elevating Your Floodprone House, FEMA 347 (2000):

<http://www.fema.gov/library/viewRecord.do?id=1424>

Description of alternative techniques that can be used to elevate existing flood prone buildings and case studies of homes in south Florida that were elevated above the 100-year flood level following Hurricane Andrew.

Protecting Manufactured Homes from Floods and Other Hazards, FEMA P-85 (2009):

<http://www.fema.gov/library/viewRecord.do?id=1577>

Technical guidance on elevating and anchoring manufactured homes.

Raising and Moving the Slab-on-Grade House with Slab Attached, U.S. Army Corps of Engineers (1990):

<http://www.nwo.usace.army.mil/nfpc/fpslab/ace2.htm>

Description of the steps taken to raise and relocate a slab-on-grade structure.

DRY FLOODPROOFING

Non-Residential Floodproofing—Requirements and Certification for Buildings Located in Special Flood Hazard Areas, Technical Bulletin 3-93 (1993),

<http://www.fema.gov/library/viewRecord.do?id=1716>

Guidance on the NFIP regulations concerning watertight construction and the required certification for floodproofed non-residential buildings.

Below-Grade Parking Requirements for Buildings Located in Special Flood Hazard Areas, Technical Bulletin 6-93 (1993):

<http://www.fema.gov/library/viewRecord.do?id=1719>

Guidance on NFIP regulations concerning the design of dry-floodproofed below-grade parking garages for non-residential buildings.

WET FLOODPROOFING

Wet Floodproofing Requirements for Structures Located in Special Flood Hazard Areas, Technical Bulletin 7-93 (1993):

<http://www.fema.gov/library/viewRecord.do?id=1720>

Guidance on regulations concerning wet floodproofing; includes planning, safety, and engineering considerations Protecting Utilities and Equipment.

FEMA fact sheets about various techniques for *Protecting Your Property from Flooding*:

<http://www.fema.gov/library/viewRecord.do?id=3262> .

Protecting Building Utilities from Flood Damage: Principles and Practices for the Design and Construction of Flood Resistant Building Utility Systems, FEMA P-348 (1999):

<http://www.fema.gov/library/viewRecord.do?id=1750>

Technical guidance for the design and construction of flood-resistant utility systems for new buildings and modifications to utility systems in existing buildings; includes HVAC systems, fuel systems, electrical systems, sewage management systems, and potable water systems.

Elevator Installation for Buildings Located in Special Flood Hazard Areas, Technical Bulletin 4 (2010):

<http://www.fema.gov/library/viewRecord.do?id=1717>

Guidance concerning the installation of elevators below the Base Flood Elevation Flood Vents.

Openings in Foundation Walls and Walls of Enclosures, Technical Bulletin 1 (2008):

<http://www.fema.gov/library/viewRecord.do?id=1579>

Provides guidance for non-engineered and engineered flood openings.

FLOODPLAIN MANAGEMENT

Floodplain Management Bulletin on Historic Structures, FEMA P-467-2 (2008):

<http://www.fema.gov/library/viewRecord.do?id=3282>

Regulatory information and floodproofing options for historic structures located in regulated floodplains

CERTIFICATES

FEMA Elevation Certificate and Instructions:

<http://www.fema.gov/library/viewRecord.do?id=1383>

Floodplain Management Bulletin on the Elevation Certificate, FEMA 467-1 (2004):

<http://www.fema.gov/library/viewRecord.do?id=1727>

Frequently asked questions about use of the Elevation Certificate to verify compliance with floodplain development standards

FEMA Floodproofing Certificate for Non-Residential Structures:

<http://www.fema.gov/library/viewRecord.do?id=1600>

ADDITIONAL RESOURCES

FEMA's Benefit-Cost Analysis:

<http://www.fema.gov/government/grant/bca.shtm>

Methodology and tools are used to evaluate cost effectiveness for grant applications.

National Nonstructural/Flood Proofing Committee:

<http://www.nwo.usace.army.mil/nfpc>

Supervises research and provides technology transfer on floodproofing techniques.

APPENDIX 2

Sample MHP Risk Assessment Data—MHPs Impacted by Tropical Storm Irene

MHP ID	Mobile Home Park Name	County	Town Name	Flooded During 2011	Highest Flood Hazard Area of Lots in Park	Highest FEH Zone of Lots in Park	Highest Flood Hazard Area of Land in Park	Floodplain Data Source
16	Green Mobile Home Park	Windsor	Sharon	Yes*	100 Year Flood Plain	N/A	100 Year Flood Plain	DFIRM
150	Forest Dale Mobile Home Park	Rutland	Brandon	Yes*	Floodway	N/A	Floodway	DFIRM
154	Berlin Mobile Home Park	Washington	Berlin	Yes*	Floodway	Extreme	Floodway	Draft DFIRM
155	River Run Mobile Home Park	Washington	Berlin	Yes*	Floodway	N/A	Floodway	Draft DFIRM
176	Patterson MHP	Washington	Duxbury	Yes*	100 Year Flood Plain	N/A	Floodway	Draft DFIRM
172	Tucker Mobile Home Park	Washington	Northfield	Yes*	Floodway	Very High	Floodway	Draft DFIRM
183	Whalley Trailer Park	Washington	Waterbury	Yes*	100 Year Flood Plain	N/A	100 Year Flood Plain	Draft DFIRM
61	Glen Park	Windham	Brattleboro	Yes*	Floodway	Extreme	Floodway	DFIRM
42	Benson's Park	Windham	Rockingham	Yes*	Floodway	High	Floodway	DFIRM
37	Black River Mobile Court	Windsor	Ludlow	Yes*	Floodway	High	Floodway	DFIRM
143	Riverside Mobile Home Park	Windsor	Woodstock	Yes*	Floodway	N/A	Floodway	DFIRM
134	Weston's Mobile Home Park, LLC	Washington	Berlin	Yes*	Floodway	None	Floodway	Draft DFIRM
13	Richards Mobile Home Park	Windsor	Bethel	Yes*	100 Year Flood Plain	N/A	100 Year Flood Plain	DFIRM
6	Green Mountain Mobile Home Park	Bennington	Pownal	Yes*	100 Year Flood Plain	N/A	100 Year Flood Plain	Draft DFIRM
148	Evergreen Manor Mobile Home Park	Caledonia	Hardwick	Yes*	Floodway	N/A	Not Available	Paper FIRM
59	Mountain Home Park	Windham	Brattleboro	Yes*	Floodway	Extreme	Floodway	DFIRM
211	FWMHP, LLC	Rutland	Castleton	Yes*	Floodway	N/A	Floodway	DFIRM
35	Tenney's Trailer Park	Windham	Athens	Yes*	None	Very High	None	DFIRM

APPENDIX 3

Local Mobile Home Financing Options

Lender	Property Types	In-house loan for SW titled as Real Estate?	Fixed Rate In-House Loan for DW on own land?	Secondary Market	Max LTV	Rate Structure	Max Term	Notes
Brattleboro S&L	DW with land, 1976 or newer	No	No		80%	Various ARMs	30 yr / 0 points	
Community National Bank	SW and DW with land and in parks	Yes	No		<ul style="list-style-type: none"> 75% SW 80% DW 	Various ARMs	<ul style="list-style-type: none"> 10 yr (Used) 20 yr (New and newer than 5 yrs old) 	
Heritage Family CU	<ul style="list-style-type: none"> SW and DW with land and in parks 20 years old or newer 	Yes	Yes		80%	Fixed rate or ARM	<ul style="list-style-type: none"> 20 yr Fixed for New, in park 15 yr Fixed for Used, in park or, Own land 	
New England Federal CU	<ul style="list-style-type: none"> SW and DW with land 1976 or newer SW and DW in parks 	Yes	No	Yes	<ul style="list-style-type: none"> 80% (Own land) 85% (in park) 	ARM	<ul style="list-style-type: none"> 20 yr (New) 15 yr (Used) 	<ul style="list-style-type: none"> MH refinance loans limited to 65% LTV No mortgage insurance required
Northfield Savings Bank	<ul style="list-style-type: none"> SW and DW with land and in parks DW with land may require foundation 	Yes	No	Yes	<ul style="list-style-type: none"> 80% New 75% Used 	<ul style="list-style-type: none"> Fixed, High APR (SW in parks and on own land) ARM (Own land) 	<ul style="list-style-type: none"> 15 yr (New) 10 yr (Used) 	<ul style="list-style-type: none"> Loan term based on expected life-span of the home Will refinance VHFA loans at appraised value
Opportunities CU	<ul style="list-style-type: none"> 1994 or newer SW and DW in parks 1976 or newer SW and DW with land 	Yes	Yes	Yes	<ul style="list-style-type: none"> New 90%* Used 80%* 	Various ARMs	<ul style="list-style-type: none"> 10 yr (1994-1999) 15 yr (2000-2008) 20 yr (2008 and newer) 	<ul style="list-style-type: none"> * 80% LTV is norm May lend on older MH in parks on case by case basis
Peoples Trust	<ul style="list-style-type: none"> New or 20 years old or newer SW and DW with land and in parks 	Yes	Yes (High APR)	Yes	80%	Fixed (high APR in parks)	<ul style="list-style-type: none"> 20 yr (New and Used) 15 yr (New in parks) 10 yr (Used in parks) 	<ul style="list-style-type: none"> Subject to Fannie Mae guidelines DW on land may be eligible for PMI
Union Bank	<ul style="list-style-type: none"> SW and DW with land and in parks 1976 or newer 	Yes	Yes	Yes	<ul style="list-style-type: none"> 80% (Own land) 75% (in parks) 	<ul style="list-style-type: none"> Fixed and Various ARMs Fixed (High APR in parks) 	<ul style="list-style-type: none"> 30 yr (Own land) 10 yr (New in parks) 7 yr (Used in parks) 	<ul style="list-style-type: none"> Loan term based on expected life-span of the home In house fixed if property not qualified for secondary market

APPENDIX 3 (CONTINUED)

Local Mobile Home Financing Options

Lender	Property Types	In-house loan for SW titled as Real Estate?	Fixed Rate In-House Loan for DW on own land?	Secondary Market	Max LTV	Rate Structure	Max Term	Notes
Vermont Federal CU	<ul style="list-style-type: none"> • SW and DW with land • 1976 or newer 	No	Yes	Yes	90% (Own land)	Fixed	<ul style="list-style-type: none"> • 15 yr • 20 yr • 30 yr 	<ul style="list-style-type: none"> • Consumer loan only for SW in parks • Mortgages for SW and DW not qualified for secondary market are evaluated on a case by case basis
VT State Employees CU	<ul style="list-style-type: none"> • SW with land or in park • DW own land 	Yes	No	Yes	80%*	Fixed; ARM	<ul style="list-style-type: none"> • 15 yr (Fixed) • 30 yr (ARM) 	* Up to 95% LTV for DW w/ full foundation on owned land.
Ledyard National Bank, NH	Unknown	Unknown	Unknown	No	Unknown	<ul style="list-style-type: none"> • 5.5% 15 yr term • 6% 20 yr term 	15–20 yrs	<ul style="list-style-type: none"> • Minimum loan amount = \$10,000 • Maximum household income \$50,000

* High APR means for single wide > 10% and for double wide >7%

** The rates and terms in this chart/report were collected from January – March of 2013, and reflect the conditions of the market at that time. Current rates are expected to be higher in according to current market conditions.

APPENDIX 4

Detailed Summary of Cross Jurisdictional Research

MOBILE HOME INSTALLATION, PARK LICENSING AND INFRASTRUCTURE REQUIREMENTS

State	State Installation Inspection Program	Authorized Inspection Agency	Park Infrastructure requirements	Agency Authorized for Infrastructure Oversight	Oversight Procedure	Notes
Oregon	Yes	Department of Consumer and Business Services (OR. Rev. Stat. 446.062)	Parks constructed before 1959 exempt from requirements, but expansion or alterations of parks constructed before 1959 must comply. (446.090). Well drained/ hard surfaced streets 20 ft wide (30 ft. if on street parking); playground for children (100 sq ft. per mh w/children; 2500 s/f min.) unless park designated as adult park, proper water/ sewer access. Prohibited from making a MH spot less than 30 ft. wide or 40 ft. long.	Department of Consumer and Business Services	Licensing, and/or Criminal Fines; OR MH Infrastructure and Habitability Laws are a subsection of OR Landlord Tenant Law.	The Department revises and re-publishes the Oregon Manufactured Dwelling Installation Specialty Code, which includes not only electrical, plumbing, and anchoring installation guidelines, but also guidelines on alterations, accessory structures, and minimum setbacks and building separations within mobile home parks. Of interest, the MDISC requires all MH installed within municipally designated flood zones (approx. corresponding to the 100 year flood plain) to be anchored in the same manner as stick-built residential housing built in the same zones.
Florida	Yes	Bureau of Mobile Homes and RV Construction, DMV Fl. Rev. Stat. §§ 513.001	Florida Department of health has rulemaking authority over mobile home and recreational vehicle park licensing and maintenance. (513.001 et. seq.). DOH rules focus primarily on water related issues (standing water/siting requirements/ plumbing and wastewater) and typically reference Florida Building Code. It has minimum lot size requirements, (at least 35 wide, 2400 sq. feet for SW; 50 wide, 3500 s/f for double wide) 5 foot space requirements between buildings, and adequate space requirements for roads/access/egress routes. Rules only apply to renovated section of pre-existing parks.	Department of Health	Licensing	

Appendix 4 continued next page ►

APPENDIX 4 (CONTINUED)

Detailed Summary of Cross Jurisdictional Research

MOBILE HOME INSTALLATION, PARK LICENSING AND INFRASTRUCTURE REQUIREMENTS (CONT.)

State	State Installation Inspection Program	Authorized Inspection Agency	Park Infrastructure requirements	Agency Authorized for Infrastructure Oversight	Oversight Procedure	Notes
Washington	Yes	Department of Labor and Industries, Factory Assembled Structures (RCW 43.22.200)	Reserves certain requirements to the local land use authority: site development, rear and side yard requirements, setback requirements, land use procedure (RCW 43.22.460). Does not appear to have any state required minimum standard for MHP infrastructure, besides what is required under the rules for installation (RCW 43.22.340 -490).	Department of Labor and Industries for violations of (RCW 43.22.340 - 490). Local Authority for most general infrastructure issues. Local municipalities can (and do) impose a licensing and fine structure on parks in their communities.	Local licensing process, no State licensing.	
Delaware	N/A - HUD Administered	N/A	No specific Rules in MH Communities Act, I assume these powers are reserved for the local land use authority (as per the HUD regulations).			
Vermont	N/A - HUD Administered	N/A	DHCD has Habitability Rules, short, very clear, but open-ended language.			
New Hampshire	Yes	Manufactured Housing Installation Standards Board (RSA 205-D)	MHPs must follow basic habitability standards—as would apply in all kinds of rental housing, in addition to keeping roads passable, adequate water and sewer and upkeep common spaces in a manner reasonable for their intended use. (RSA 205-A:13c, 205-A:14-17).	New Hampshire Department of Health and Safety/ Local Health Officers; Court System	Violations can be reported to health officers, and properties put under receivership if violations are egregious or common enough. Ind. Residents may sue the park owner or manager for violations that personally affect them.	
California	Yes	CA Department of Housing and Community Development - Office of MH Ombudsman (Cal. Health and Safety Code, Div. 13, §§18200–18400).	Extensive, see California Code of Regulations (CCR), Tit. 25, section 1100 for general MHP regulation, includes roads, site grading, rubbish removal etc. Has separate articles for bracing/ tie downs, water and sewer, and electrical hookups.	Department of Housing and Development and the Department of Health. County and municipal authorities may choose to administer the rules, and can cancel this responsibility (or have it revoked by the department if ineffective). CCR 1000	Licensing; Substantial violations of upkeep req. for public spaces in park is public nuisance, actionable in civ. ct. ind. can also bring actions for specific violations (such as dead trees).	

APPENDIX 4 (CONTINUED)

Detailed Summary of Cross Jurisdictional Research

RIGHT OF REFUSAL IN SALE OF MOBILE HOME—RESIDENT ASSOCIATIONS AND TA

State	Tenant's Rights of First Refusal/Right to Make Offer to Purchase Park	State Technical Assistance to MHP residents and resident associations.
Oregon	N/A	N/A
Florida	Park owner must notify residents/officers of resident association of intent to sell. 45-day grace period for residents to decide if they want to exercise right of first refusal and enter into contract with owner. Owner not required to reveal details of offer made to him if he intends to make a counteroffer, only that offer made and give residents a set of terms by which he would be willing to sell. If owner lowers his price after the expiration of the grace period, must leave offer open to residents at lower price for additional 10 days before taking it to the market.	Housing and Community Services Department has authority to provide technical assistance and make loans to park residents and residents associations for the purchase of a park, but only if the majority of park residents who are members of the association are lower income. Loans may only be provided if the Department determines purchase is economically feasible.
Washington	Park owners are required to notify tenants/tenant organizations, local municipalities, the Department, the local housing authority, and the state housing finance commission of a pending park sale. RCW 59.20.300. The state has a policy of preserving MHPs and encouraging tenant ownership, and owners are encouraged to negotiate in good faith with tenant organizations and other qualified non-profits. RCW 59.20.305.	
Delaware	Sec. 7026 Notice of intent to sell and terms of offer must be delivered to residents/residents association, the DE Manufactured Homeowner's Association and the DE Manufactured Home Relocation Authority. Only registered homeowner's associations may participate/negotiate with owner for right of purchase (register with authority). Association has 30 days to accept or present counter offer, which remains valid for the next calendar year. Owner may accept a third party offer higher than the Association's counter offer, but must provide notice of the offer to the Association and give them 7 business days to match it if the higher offer is (1) less than 40m and up to 6% higher than Association's offer or (2) greater than 40m and up to 4.5% higher than Association's offer. Also rules for auction sale (similar, but 60 day grace period, though owner can reject offer and continue with auction sale, Association can then purchase for 1% above auction price).	Department authorized to provide Technical Assistance and Financial Support to MHP residents and resident organizations wishing to acquire an "individual interest" in the park ("ind. interest" is specifically defined to include stock and lim. equity housing. cooperatives, membership in a nonprofit mutual benefit corp., fee ownership of the space, but is not limited to these definitions). RCW 59.22.020 & 59.22.032. Only res. orgs. w/significant # of low income residents eligible, an only res. orgs. where 2/3 of members are current park residents. (Id.) Can make separate loans with flexible repayments to residents to keep monthly payments affordable. RCW 59.22.034. Loan term 30 years, rate set by department. (Id.).
Vermont	10 VSA 6242 outlines the tenant's right of first refusal and process by which a park owner must first offer the park for sale to the tenants. Owners must give a minimum of 18 months notice of intent to sell, tenants have 45 day grace period to decide whether to exercise their right to purchase and a subsequent 120 day period to secure an agreement with the owner/landlord.	
New Hampshire	Owner must give 60 days notice of intent to sell or transfer park, including a signed statement describing acceptable terms for the sale before accepting a purchase offer from a third party. Notice given to residents and NH Housing Finance Authority.	NH Housing Finance Authority, ROC-NH
California	Owner must give notice to resident association/non-profit that has formed for the purposes of purchasing the park and converting it to resident ownership. Owner only required to give notice to associations that already exist and have notified the owner of their interest in purchasing the park, should it ever be offered for sale. Owner must give RA notice at least 30 days, but no more than 1 year before signing a contract with a RE broker to offer the property for sale. No other procedure in the law - thus it appears that residents must be proactive (form assoc., meet with owner, make intentions known, etc.) to even have the chance at a first offer of purchase	

APPENDIX 4 (CONTINUED)

Detailed Summary of Cross Jurisdictional Research

CONDOMINIUM CONVERSION; STATE SUPPORT FUNDS

State	Support Fund/ State Technical Assistance	Funding Source	Coop/Condominium Conversion Initiated by Park Owner	Notes
Oregon	Mobile Home Parks Purchase Account (OR Rev. Stat. 456.579).	N/A	N/A	Oregon also has a procedure for converting MHPs into “planned community subdivisions of manufactured dwellings”; MH lot residents retain right of first refusal and can opt to contract to continue to rent the lot from the landowner after the parcel has been converted to a subdivision. (ORS 92.830-92.845).
Florida	Florida Mobile Home Relocation Corporation (723.0611)	N/A	N/A	In FL, Ch. 723 applies only to tenancies in mobile home parks in which there are 10 or more mobile homes.
Washington	Washington Department of Commerce Office of Mobile/Manufactured Home Relocation Assistance, Resident Owned Mobile Home Parks	No specific source, part of the Department's budget. Dept. allowed to contract with private lenders, non-profits and municipal government to administer the program. RCW 59.22.034(3).	N/A	According to a report by the National Association of State Legislators, Washington once required resident or non-profit purchase preference, but that was overturned as a violation of the takings clause in the state constitution.
Delaware	N/A	N/A	Resident association retains 90 day grace period to exercise the right to purchase the affected section of the park before the conversion. If unexercised, the association's interest becomes a right of first refusal if the owner decides to sell the affected section. Upon the expiration of the association's right to purchase, affected tenants have a subsequent 90 day grace period to purchase their lot within the affected section. Owners may not convert more than 25% of the total park. Must provide notice and conversion plan to all affected residents, remaining residents and associations, local land use authorities and the local Atty. Gen. and rec. of Deeds. Pretty standard land use review process, must either conform to current local zoning or be a pre-existing non-conforming use. Affected tenants who choose not to purchase their lots retain a 3 year grace period prior to eviction from the affected section of the park, must be treated fairly (no retaliatory rent increases). After the 3 years, owner must pay to relocate tenant to another MHP or other relocation expenses.	

Appendix 4 continued next page ►

APPENDIX 4 (CONTINUED)

Detailed Summary of Cross Jurisdictional Research

CONDOMINIUM CONVERSION; STATE SUPPORT FUNDS (CONTINUED)

State	Support Fund/ State Technical Assistance	Funding Source	Coop/Condominium Conversion Initiated by Park Owner	Notes
Vermont			<p>Notice to convert required 6 months in advance of formal notice of conversion, to all residents and the Commissioner of Department of Housing and Community Affairs Notice must contain property description, type of ownership outcome, description of current water/sewer, roads and other infrastructure, plan and schedule for any improvements or upgrades, construction plan and schedule for new buildings, number of current MH sites and the number/price for new condo sites. Leaseholders must elect to convert the park - super majority required. If vote passes - another more detailed notice including financial disclosures and formal assessment and other costs, which commences a leaseholder conversion period, wherein each leaseholder must decide whether to purchase his/her lot. Leaseholders may choose to not buy their lots and continue their leasehold interest. If they choose to vacate the lot during the notice period, owner pays relocation costs up to 2200. If they choose to abandon home and transfer title to owner or lot purchaser, owner pays relocation costs up to 1000. All express and implied warranties regarding the details and the quality of the infrastructure are enforceable unless expressly disclaimed by a conveyance/description of property/infrastructure "as is." When initial notice of intent is delivered, lot rent is stabilized and does not increase until the end of the conversion period or when association takes control of the property (whichever is later), such increases are unenforceable and their non-payment excluded from grounds for eviction. (27 VSA 1350-65).</p>	
New Hampshire	NH Community Loan Fund		N/A	
California	N/A	N/A	N/A	California law allows MH conversion to fixtures of the supporting land in parks that have been converted to resident ownership. Parks may not require such conversion. however.

APPENDIX 4 (CONTINUED)

Detailed Summary of Cross Jurisdictional Research

MOBILE HOME RELOCATION FUNDS

State	MH Relocation Fund	Agency Overseeing Relocation	Funding Source	Dispersal Procedure and Limitations
Oregon	No Fund, but landlords are required to pay tenants if they are required to move b/c of change of use.	N/A	N/A	If the landlord converts the mobile home park to a different use and conversion not required by some eminent domain authority, then the landlord is to notify each tenant of the termination of the use at least a year in advance and pay the displaced tenant 5000 SW, 7000 for DW and 9000 for TW or larger dwellings. ORS 90.645. Abandoned mobile homes are treated in a similar manner to other abandoned property, but with a longer period of storage, and between notice of sale and the actual sale of the home. After abandoned mobile home is sold, park owner may take the storage and handling costs, as well as amount of any unpaid rent from the proceeds, then any remaining proceeds go first to the county tax authority to pay unpaid property taxes or assessments, whatever remains is to be remitted to the tenant. The landlord is required to duly follow the procedure unless the mobile home was abandoned under a mutual agreement between the landlord and tenant. ORS 90.425. Oregon also has a procedure for converting MHPs into “planned community subdivisions of manufactured dwellings”; MH lot residents retain right of first refusal and can opt to contract to continue to rent the lot from the landowner after the parcel has been converted to a subdivision. (ORS 92.830-92.845).
Florida	Yes	Florida Mobile Home Relocation Corporation (723.0611)	\$4 annual fee on each MH lot paid by park owner to fund DFCTMH administrative costs; add. \$1 surcharge on annual fees directly deposited into trust fund, fund audited every June 30, if 10m in trust, surcharge is waived, if fund falls below 6m, surcharge reinstated (723.007; 723.009). If park subject to change of use, park owner pays MHRC 2,750 for each single section, and 3,750 for each double section home for which the homeowner applied for moving expenses. 723.06116(1).	Mobile Home Owner entitled to 3000 for single section or 6000 for multisection mh or the actual cost of relocation within a 50 mile radius (723.0612(1)(a)&(b)). MH owners may choose to abandon homes and relinquish a free and clear title to the park owner, eligible for 1375 for single section or 2750 for multisection homes. Special Note: In FL, Ch. 723 (thus, mobile home relocation assistance) applies only to tenancies in mobile home parks in which there are 10 or more mobile homes.

Appendix 4 continued next page ►

APPENDIX 4 (CONTINUED)

Detailed Summary of Cross Jurisdictional Research

MOBILE HOME RELOCATION FUNDS (CONTINUED)

State	MH Relocation Fund	Agency Overseeing Relocation	Funding Source	Dispersal Procedure and Limitations
Washington	Yes	Washington Department of Commerce Office of Mobile/Manufactured Home Relocation Assistance	Manufactured Housing Transaction Fee: 100 payable by purchaser when applying for a new or transferred title to a MH that is 1 or more years old and costs more than 5000; fee does not apply where a spouse/dom. partner is added/deleted as co-owner. (RCW 46.17.155).	Park owner must provide notice of intent to close park w/ in 12 months of closure date to department and tenants include reason for closure and timeline for removal of MH. Department prioritizes relocation assistance based on circumstances of park closure: (1) park owner fraud and/ or health and safety concerns; (2) change of use; only low income (< 80% of county median income) families eligible for assistance.(RCW 59.21.021(1)). Assistance capped at real cost, up to 12,000 for a multisection and 7,500 for a single section; money can be used to cover costs of relocation of current MH or its disposal, money left over from disposal could be used as downpayment assistance on new purchase. Applicants not limited to the households being displaced, could be another entity collecting money on their behalf. Funds can be used in combination with other public or private sources. (RCW 59.21.021(2)-(4)). If other sources of funding used, then maximum dispersal from fund reduced to actual cost of relocation or 7,000 for DW and 3,500 for SW. Fund covers the difference b/w outside relocation monies and the 12,000 for DW and 7,000 for SW. If outside monies > current limits, no dispersal from the fund. (RCW 95.12.025). Tenants not eligible for assistance if they give notice to vacate before the notice of park closure, unless they continue to live on the premises and pay rent for at least 6 months. Not eligible for assistance if they move onto premises after notice to vacate.
Delaware	Yes	Delaware Manufactured Home Relocation Authority (Sec. 7011).	Three dollar Monthly lot assessment for all occupied mobile home park lots, half paid by the park owner and half paid by the occupant. (Sec. 7012(f)(1) The assessment is treated as rent for the purposes of collection by the landlord, and nonpayment of the assessment can be grounds for termination of the rental agreement. (Sec. 7012(f)(2)). The landlord collects and safeguards the tenant's portions of the assessment and remits them, along with his or her portion, to the Authority on a quarterly basis. (Id.) The assessment is not treated as rent for purposes of determining the rent cap in properties under rent control. (Sec. 7012 (f)(4). The fund is capped at 10m, which cap can be amended or eliminated by vote of the Authority's board of directors. (Sec. 7012(d)). It has a limited life span, set to expire in 2014, unless extended by the state legislature. (Sec. 7012(c)). If it expires, the remaining money is dispersed as follows: 50% to all mobile home park residents, who have occupied their lots for at least 12 months and 50% to all park owners, prorated based on the number of lots occupied in their parks for the last 12 months. (Sec. 7012(c)(1)&(2).	Tenants eligible for relocation funds where park owner intends to change the use of all or part of the park or to convert the park to a cooperative or condominium park. (Sec. 7012(a)). Park owner has three year period within which to properly change the use or make the conversion. (Sec. 7012(b)) If at that time the change or conversion has not been made, or evidence exists to show the park owner otherwise acted in bad faith, the park owner must any funds spent by the authority to relocate tenants from the park. (Id.) The dispersal amount is limited to the actual cost of relocation within a 25-mile radius, or the maximum amount, set by the authority (Internal Rules governing this amount are in revision process, will contact authority to determine a ballpark figure, if necessary). (Sec. 7013(1) &(2)). Tenants are not qualified to receive assistance if landlord moved the tenant's home to another lot in the same or a different park (with mutual consent) at the landlord's cost, the tenant vacates the community before notice of the change of use, the tenant abandons the home, or the tenant does not pay his or her share of the monthly assessment. (Sec. 7013(b)(1)-(4)). If a home cannot be relocated, tenant is eligible for a payment of the lesser of the fair market value of the home and any appurtenant structures or the maximum amount, tenant is then relinquishing title, with lien and tax releases to Authority. (Sec. 7013(d)). In lieu of collecting relocation money, tenants may opt to abandon the mh and receive 2500 for a multi-section or 1500 for a single section, as long as they deliver an endorsed title with all liens released, and a tax release, to the Authority. (Sec. 7013(f)).

Note: Neither Vermont nor Hampshire Fund mobile home relocations. California may fund relocations, research in that state focused primarily on habitability requirements and administration of park rules.

APPENDIX 5

DHCD Mobile Home Condemnation Report

FEMA Individual Assistance and the Condemnation of Mobile Homes

Report on the Actions Taken Following the Floods of 2011 and Recommendations for Future Disasters

Prepared by the Vermont Department of Housing, and Community Development

September 12, 2013

INTRODUCTION

On August 28, 2011, Tropical Storm Irene left a trail of destruction through Vermont. It was the worst natural disaster to hit the state in nearly a century. Every county in the state was declared a disaster area by President Obama. Hundreds of Vermonters lost their home and hundreds more were left with major damages. Mobile homes were disproportionately impacted. Comprising seven percent of the homes in the state, mobile homes equaled 15% of those damaged or destroyed by Irene. In addition, many mobile homeowners were still struggling to recover from damage caused by the flooding in the spring of 2011.

Federal, state and local officials, volunteers and others worked to assist these survivors. It soon became apparent that the lack of a clear and ready authority to condemn destroyed mobile homes was limiting the amount of assistance survivors received from FEMA. A multi-agency effort was undertaken to find a solution. This report describes the actions taken to address the problem and makes recommendations for future disasters.

BACKGROUND

More than 500 mobile homes were damaged in the floods of 2011.⁹⁴ Hundreds of mobile homeowners applied to FEMA for help through the Individual Assistance Program (IA). Within days of when survivors registered for IA, FEMA officials inspected their mobile homes to determine the extent of the damage. In the vast majority of cases, FEMA's initial inspection determined that a mobile home was repairable. FEMA's criterion to determine that a mobile home was 'destroyed' meant every phase of construction, in other words from the frame to the roof, had to be compromised. Some mobile homes were completely washed away and their owners received the maximum IA grant of \$30,200. Few others, however, even if water damage was severe, met the destroyed standard. As time passed, it became clear that once the mobile home was wet inside, the likelihood that it could be repaired was in fact very low, especially if mold developed.

Survivors had the ability to appeal FEMA's decision but needed to show FEMA evidence that the damage was more extensive. While FEMA would accept a report from an official with authority to issue a 'condemned to be destroyed' letter as proof that the home was destroyed, it was not clear at the local or state level who had that authority. Some town health officers issued what they thought to be condemnation letters, but they did not meet FEMA's standard that the home must be condemned "to be destroyed." In other words, FEMA would authorize the maximum grant of \$30,200 only when it was certain that the home could never be reoccupied and the survivor had no choice but to replace it.

The only other recourse available to mobile homeowners was to hire a contractor to provide estimates to rebut the FEMA inspection. It was simply not feasible for many victims of Tropical Storm Irene to

94. 2011 flooding included disasters 1995 (April: Lake Champlain), 4001 (May, storms), 4022 (August, Irene)

obtain and pay for a contractor to perform such an inspection within the deadline. Thus, many mobile homeowners were left with an uninhabitable mobile home and little or no money to remove or replace it. In most instances, survivors received approximately \$5,000 in IA assistance.

Unfortunately, a number of mobile homeowners also went ahead with removal of their damaged mobile homes, or sold them to sometimes unscrupulous buyers before getting a final decision from FEMA. As a result, they were ineligible for any further assistance from FEMA because it could not provide additional assistance once the mobile home had been removed or sold. In addition, other Vermonters unwittingly bought used mobile homes that were mold-stricken or otherwise compromised by water damage.

ACTIONS TAKEN

Many individuals and agencies worked to bring additional assistance, in several phases, to Vermonters who had lost their mobile homes.

PHASE 1: FALL 2011

Lt. Governor Phil Scott and Commerce and Community Development Secretary Lawrence Miller realized that many mobile homeowners did not have resources to remove their destroyed homes. The estimated cost to remove a mobile home was up to \$6,000. Mobile home survivors could ill afford to pay for this expense. Nearly half (235) of the damaged mobile homes were located in parks. Therefore, Lt. Gov. Scott and Secretary Miller developed a plan to remove mobile homes in bulk and reduce the cost to the owner to \$1,500. Eventually, the project reduced the cost to zero, covering the entire cost of removal. DHCD participated in planning meetings for this deconstruction project and the Mobile Home Program of CVOEO, Associated General Contractors of Vermont, and the Vermont Community Foundation were partners in this effort.

The deconstruction project ultimately raised close to \$300,000 from private donors and removed 68 mobile homes from six parks. Several more mobile homeowners received reimbursements up to \$1,500 toward

their out-of-pocket costs of removing their mobile home themselves.

While reducing costs to owners, removing these homes did not result in additional assistance from FEMA due to its standards for determining whether a mobile home was destroyed.

A group including DHCD, the Governor's Counsel, the Irene Recovery Office, the Department of Public Safety, the Department of Health and the Mobile Home Program and case managers resolved to find a solution. Eventually, it was determined that the Governor's emergency powers gave him the authority to issue condemnations that would meet FEMA's requirements for a 'condemned to be destroyed' letter.

FEMA agreed to reopen and review cases for which it received the Governor's condemnation letters. Using information from FEMA and CVOEO, DHCD and the Governor's Counsel prepared and issued condemnation letters for the uninhabitable homes removed through the deconstruction project. In most instances, FEMA then provided additional IA benefits to the survivor bringing the total to the maximum.

- ✓ 68 condemnation letters issued for mobile homes removed through the deconstruction program.

This process was not used for stick-built homes, largely due to the relatively small number of owners of uninhabitable stick-built homes who had trouble receiving their maximum IA grant for lack of a "condemned to be destroyed" letter.

PHASE 1.5: LATE WINTER 2012

Using lists provided by FEMA and CVOEO, DHCD identified 36 mobile homes that were confirmed destroyed, but were not yet condemned and did not participate in the deconstruction project. The DHCD forwarded the information to the Governor's Office for condemnation letters.

- ✓ 36 condemnation letters issued for mobile homes confirmed destroyed and removed, where the owner did not participate in the deconstruction project.

FEMA and the State wanted to ensure that every mobile homeowner received the maximum grant assistance that they were eligible for, and that Vermonters were not occupying mobile homes that were in fact uninhabitable and not safe. They worked together to identify every survivor that could possibly be helped by a condemnation.

PHASE 2: SPRING 2012

DHCD formally requested a list of all survivors who registered with FEMA and lived in mobile homes. FEMA provided a secure list containing information on 453 mobile homeowners who filed claims due to flooding in 2011. DHCD identified 282 who had not previously received a letter and were candidates for inspection and condemnation. It created a web-based intake form to gather required information from the mobile homeowner. DHCD sent 282 outreach letters on behalf of Sue Minter, Irene Recovery Officer, requesting that these mobile homeowners contact the Department if their mobile home was substantially damaged and could not be safely occupied after the flooding. Subsequently, FEMA provided a list of 85 mobile homeowners that were not on the original list. The DHCD reviewed the additional names and sent another 81 outreach letters. The Department also contacted the Long Term Recovery Committees and disaster case managers and asked them to refer candidates for condemnation.

As survivors contacted the Department, it did intake and forwarded potential cases to the Department of Public Safety (DPS) Division of Fire Safety for inspection. DPS inspectors visited the homes and reported back to DHCD within a few days. If the inspection report indicated that the mobile home was uninhabitable, the DHCD notified the Governor's Office so that a letter of condemnation could then be issued and referred the mobile homeowner to CVOEO for assistance with removal of the mobile home. The Governor's Office sent the letters to FEMA, which reviewed the cases, contacted the survivor to confirm and typically sent additional IA benefits.

If a survivor contacted the Department and his or her situation was not appropriate for condemnation, DHCD referred the case to a disaster case manager and the Vermont Disaster Relief Fund. In some cases,

this was because mobile homeowners reported that they no longer owned the mobile homes and were not eligible for additional FEMA assistance. Renters were also not eligible.

- ✓ Outreach letters mailed to 363 mobile home owners
- ✓ 50 intakes completed by DHCD
- ✓ 17 mobile homes inspected by DPS Division of Fire Safety (+ 1 inspected by a town)
- ✓ 23 condemnation letters issued
- ✓ 12 mobile home residents referred to case managers for assistance

PHASE 2: PROCESS

- ✓ DHCD intake to collect basic information from mobile homeowner and initial determination of whether mobile home is a candidate for condemnation.
- ✓ If mobile home was vacant and believed to be uninhabitable, DHCD requested inspection by DPS Division of Fire Safety, and referred mobile homeowner to CVOEO for assistance with removal.
- ✓ DPS Division of Fire Safety inspectors submitted inspection reports to DHCD.
- ✓ DHCD requested Letter of Condemnation and CVOEO assisted with contractors and asbestos testing, if needed, and removal costs as funding allowed.

Case managers continued working with mobile homeowners who for a variety of reasons had not found permanent housing or became ready to have their damaged mobile home removed into the fall of 2012. When they vacated the mobile home and were ready to have the mobile home removed, the case manager referred them to the DHCD for intake and possible inspection and condemnation. Although all of the funds from the deconstruction project were spent, the Vermont Disaster Relief Fund was able to make grants for removal. CVOEO continued to assist in finding contractors, coordinating asbestos inspections, and scheduling removal of mobile homes.

RESULTS

March 1, 2013 marked the end of the 18-month period during which survivors could receive IA benefits from Tropical Storm Irene. At the end of the period, FEMA has issued additional benefits totaling \$985,228.45 directly to survivors. Condemnation letters were issued for 130 mobile homes. Nearly all (125) were for homes destroyed by Irene. Five were flooded in the spring of 2011. FEMA reported that without the Governor's 'condemned to be destroyed' letters, 82 of these mobile homeowners would not have received additional IA funds. Also as a result of the case review, FEMA determined an additional \$44,769.31 was due to three survivors, although not directly as the result of the letters.

Owners of destroyed mobile homes received a total of \$1,029,997.70 in additional FEMA IA benefits as a result of the condemnation effort. And many received assistance from CVOEO and the Vermont Disaster Relief Fund for the removal of their destroyed homes.

SUMMARY

Having a viable, clear condemnation process in place at the time of a disaster can greatly enhance the level of assistance available to owners of destroyed mobile homes.

FEMA provides IA benefits based on an estimate of the cost to repair and make a damaged home safe and habitable. In most instances following Tropical Storm Irene, this meant mobile homeowners received approximately \$5,000. FEMA provides a higher level of assistance, often the maximum of \$30,200, if it was certain that a home could never be reoccupied and must be replaced (i.e., completely demolished or washed away). FEMA would not accept a determination by the local health official or mobile home dealer that a home could not be repaired. It would accept a letter from an authorized official declaring the home was "condemned to be destroyed." FEMA considered these condemnations as proof the home was uninhabitable and could not be repaired and must be replaced. However, immediately following the storm, it was not clear to survivors, municipalities and those assisting them who had the authority to condemn homes. As a

result, few survivors initially received the maximum grant for their destroyed homes.

Condemnation authority does exist at the local level. Municipalities also have the ability to amend their charters to include this authority. Some municipalities currently have language regarding condemnation authority within their charters.⁹⁵

Municipalities can also enact rules through their local health boards to permit greater condemnation authority that would allow them to assist their citizens following a disaster. 18 V.S.A. § 613 sets forth condemnation authority of local health boards.⁹⁶ They are, however, only able to make and enforce rules approved by the Commissioner of the Department of Health that relate to the removal of public health hazards. Further statutory changes may be needed in Title 24 to address condemnation of private properties. In addition, town health officers may not be sufficiently qualified to determine whether a building is structurally sound or safe from fire hazard.

As no one government entity has the skills and the resources to conduct state-wide condemnation inspections, future collaboration is needed. The Department of Public Safety's Division of Fire Safety has experience in electrical and structural safety, the Vermont Department of Health has experience in identifying public health hazards, and municipal building inspectors and private contractors have

95. The City of Rutland is one example: § 9-3.1. Powers of the City of Rutland The City of Rutland has the power to receive by gift, grant, devise, bequest, purchase or condemnation any real or personal property, and to hold in fee, hold in trust, lease or convey any such real or personal property within or without the limits of the City of Rutland as the purpose of the corporation may require; to borrow on the credit of the city in the mode and subject to the restrictions hereinafter provided; to contract, to sue, prosecute and defend; to have, make use and alter at pleasure a city seal; to have and to exercise all other rights, powers, privileges and immunities conferred upon towns of the State of Vermont by law or necessary to carry out its corporate functions and duties....

96. 18 V.S.A. § 613. A local board of health may make and enforce rules and regulations in such town or city relating to the prevention, removal or destruction of public health hazards and the mitigation of public health risks, provided that such rules and regulations have been approved by the commissioner. Such rules and regulations shall be posted and published in the same manner that ordinances of the municipality are required to be posted and published.

experience in assessing the safety of building structures and knowledge of local conditions. Together, representatives of each of these groups could work together in teams during emergencies to efficiently make condemnation determinations. Importantly, such teams should be provided a uniform assessment checklist to use during site visits.

RECOMMENDATIONS

- » ACCD, the Department of Health, the Department of Public Safety work together with the Vermont League of Cities and Towns, the Mobile Home Program of CVOEO, and other stakeholders to develop a workable, potentially team-based, approach.
- » Consider legislation that would allow for this approach to be successfully utilized.
- » With the Vermont League of Cities and Towns, determine the number of municipalities that currently have condemnation authority in their charters. Clarify for municipalities and local health officers that they can use this authority following a disaster, and that in appropriate cases, local officials can condemn property to be destroyed.
- » Include condemnation guidance in disaster training and education for local health officers.
- » Include information about condemnation and the FEMA Individual Assistance program in disaster preparedness guidance documents to mobile home and park owners as well as municipal officials, disaster case managers, long term recovery committees and throughout the recovery network.

CONCLUSION

Mobile homes are more vulnerable than other types of housing to natural disasters, particularly flooding. Mobile homeowners also often have few resources with which to recover and rebuild their lives. Without ready condemnation authority and resources, mobile homeowners are typically able to secure only a minimal benefit through FEMA's Individual Assistance program. The need for a viable process for the condemnation of mobile homes is one of the most important lessons of Tropical Storm Irene.

(Attachments omitted)

APPENDIX 6

List of Sources for Part II of the Report

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DELAWARE

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FLORIDA

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APPENDIX 7

List of Abbreviations

ACCD	Agency of Commerce and Community Development	MHP	Mobile Home Park
ANR	Agency of Natural Resources	NFIP	National Flood Insurance Program
ARC	American Red Cross	PA	Public Assistance
AST	Above Ground Storage Tank	PMI	Private Mortgage Insurance
BEOP	Basic Emergency Operations Plan	PUD	Planned Unit Development
CDBG	Community Block Grant Development	ROC-NH	Resident Owned Community–New Hampshire
CDI	Cooperative Development Institute	ROC USA	Resident Owned Community–United States of America
CERT	Community Emergency Response Teams	RPC	Regional Planning Commission
CHT	Champlain Housing Trust	SEOC	State Emergency Operations Center
CVOEO	Champlain Valley Office of Economic Opportunity	SFHA	Special Flood Hazard Area
DEC	Vermont Department of Environmental Conservation	TA	Technical Assistance
DHCD	Department of Housing and Community Development	THO	Town Health Officer
DWGPD	Drinking Water and Groundwater Protection Division	THU	Temporary Housing Unit
EMPG	Emergency Management Performance Grant	UMHA	Uniform Manufactured Housing Act
EPA	Environmental Protection Agency	URA	Uniform Relocation Act
FEH	Fluvial Erosion Hazard	USDA	United States Department of Agriculture
FEMA	Federal Emergency Management Agency	USGS	United States Geological Survey
HH	Households	VCDP	Vermont Community Development Program
HMG	Hazard Mitigation Grant	VCGI	Vermont Center of Geographic Information
HMGP	Hazard Mitigation Grant Program	VFDA	Vermont Fuel Dealers Association
HMP	Hazard Mitigation Plan	VHCB	Vermont Housing and Conservation Board
HUD	U.S. Department of Housing and Urban Development	ZPA	Zoning and Planning Administration
IA	Individual Assistance		
IHP	Individual and Household Program		
LEPC	Local Emergency Planning Committees		
LTV	Loan to Value		
MH	Mobile Home		



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