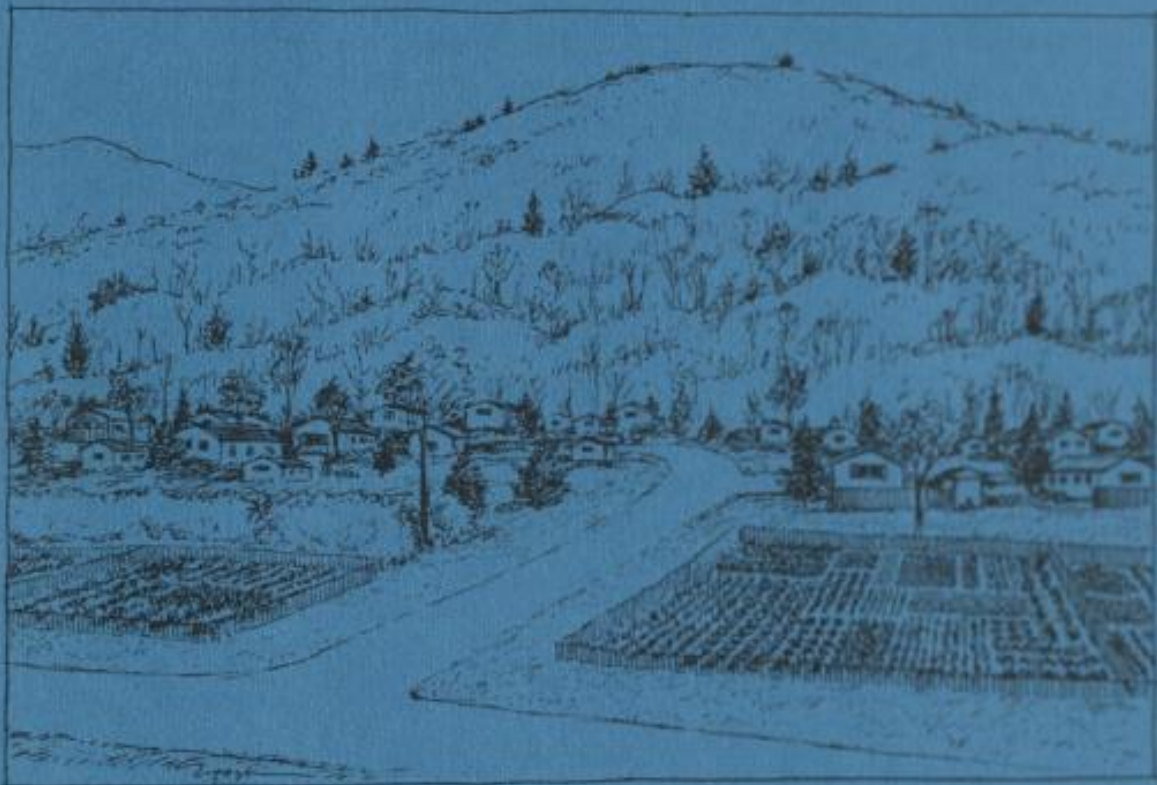


Mobile Homes

**FINAL REPORT TO THE GOVERNOR AND
THE LEGISLATURE ON MOBILE HOMES
AND MOBILE HOME PARKS**



**Advisory Commission on Mobile and
Manufactured Homes**

December 1987

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INTRODUCTION

In May 1985, Governor Madeleine M. Kunin appointed the five members of the Commission on Mobile and Manufactured Homes as required under 10 VSA Chapter 153, The Mobile Home Park Act. The Commission members were given the following charge to: review and evaluate current state statutes and regulations pertaining to mobile home parks; propose changes to promote the development of safe, healthy, and attractive mobile home parks; and recommend an administrative mechanism by which disputes between owners and residents may be received, investigated, and resolved. The members represented a range of involvement with mobile homes: homeowners, park owners or managers, and affordable housing advocates.

The Commission started by reviewing existing Vermont laws and model laws from other states. They then collected information about the issues. A questionnaire was sent out to residents of mobile home parks and park owners. (The response to the questionnaire is summarized in Appendix B.) Parks were targeted for the questionnaire because mobile home owners at large are difficult to locate. Also, the issues facing homeowners located on their own land are similar to rural housing issues in general and beyond the scope of the Commission.

A public forum was held on September 11, 1985 to receive testimony. After that the Commission requested individuals to meet with them to provide further information about topics that had surfaced as major issues either through the public hearing or from the particular interests of the Commission members. These issues included habitability, affordability, taxation, financing, enforcement, landlord tenant relations, zoning discrimination, and regulatory processes. Many of these issues are reflected in this report. (A list of the individuals testifying is found in Appendix C.)

After the Commission analyzed and discussed the information collected, they arrived at the following broad conclusion:

Mobile homes present a primary solution to the need for affordable housing in Vermont. Mobile homes of good quality, in parks that provide reasonable facilities, supplement the supply of safe, decent and affordable housing in Vermont. The Commission feels strongly that mobile homes need to achieve a status equal to other types of housing in order to fulfill the promise of affordable housing. The Commission views the legislative process as instrumental in achieving equal status for mobile homes. Public subsidies for home and park financing must be provided to guarantee affordability. There must also be an educational initiative to overcome widespread misconceptions about mobile homes.

SUMMARY OF RECOMMENDATIONS

The Commission focused primarily on these five areas: habitability, landlord tenant relations, park conversions, zoning discrimination and affordability. The recommendations are summarized below. On the following page is a list of recommended actions and the appropriate bodies to implement the recommendations.

Habitability

Since the Commission received a substantial amount of information about substandard conditions in parks, particularly old ones, it recommends that the Agency of Natural Resources and the Department of Health coordinate their activities around water and sewer problems in parks; that the legislature eliminate the "grandfather clause" in 10 VSA Chapter 153, The Mobile Home Park Act; and that the State investigate ways to provide communities, park owners, and developers with a mechanism to upgrade water and sewer systems in existing parks, and to expand infrastructure, without making parks unaffordable to lower income Vermonters.

Landlord Tenant Relations

The Commission believes that the current shortage of available mobile home sites allows for significant inequities in the treatment of park residents. Hence, the State should bring mobile home residents (particularly homeowners renting lots) under the protection of the state landlord tenant law; require written leases in all parks; limit rent increases in parks to once every 12 months; limit security deposits in parks to an amount not exceeding two months rent; and broaden the fair housing law to cover parks.

Conversions and Closings of Mobile Home Parks

Due to the difficulty of developing affordable mobile home parks, the Commission sees the preservation of existing parks as vital. The State should assist residents and nonprofits in the acquisition of parks, and provide protections to residents of parks which are closed or converted to other uses.

Zoning Discrimination

Despite state regulations, restrictive zoning ordinances and administrative practices persist in denying adequate and affordable housing for all people. To effect partial remedies, the State should require municipal affirmative housing goals and action programs as well as population, housing need and growth estimate elements in rural plans; either strengthen the attorney general's investigation of discriminatory zoning or establish an independent administrative appeals board; provide more assistance in technical land use control to municipalities and regional commissions; support the institution of tax abatement programs to alleviate fiscal zoning efforts; either merge review and approval processes for parks or eliminate overlap; withhold funds from non-complying municipalities; and clarify intent of 10 VSA Section 6204.

Affordability

Mobile home living offers a low cost alternative for home ownership. Market forces work against the preservation of this alternative and must be countered through public and private subsidy. Therefore, the State should assist mobile home buyers by encouraging lenders to provide low interest mortgage financing for home purchase; encourage nonprofit and private park development by eliminating local disincentives to affordable parks (property taxes and exclusionary zoning); provide low cost financing and rental subsidies to keep park living affordable; eliminate inequitable taxation of mobile homes; and encourage ownership which guarantees long-term affordability (non-profit, limited equity cooperatives and community land trusts).

LIST OF RECOMMENDED ACTIONS

Actions	Actors
General	
Clarify duties and responsibilities of state agencies with respect to mobile home related complaints.	Intergovernmental Housing Committee review existing laws and regulations covering mobile home parks, and coordinate state agencies' authority and responsibilities.
Create and fund a position in the Department of Housing and Community Affairs (DHCA) to coordinate follow-up to this report, and initiate further review and action concerning issues, including collection of data.	Legislature create and fund position. DHCA coordinate follow-up and further review of issues.
Form new Commission to follow-up on work done so far.	Legislature review Commission report and amend charge of Commission accordingly. Governor appoint new members to Commission.
Habitability	
Eliminate the 'grandfather clause' from the Mobile Home Park Act.	Legislature enact pending legislation. Executive Branch continue support of passage.
Provide communities, park owners and developers with a mechanism to upgrade water and sewer systems in existing parks and expand infrastructure.	DHCA and Intergovernmental Housing Committee coordinate efforts of existing agencies to make funds accessible, and research other avenues for funding.
Landlord Tenant Relations	
Enact H.53, an Act Relating to Rental Agreements for Mobile Homes, and add lengthened eviction notice.	Legislature enact pending legislation. Executive Branch continue support of passage.
Require written leases for mobile home park; preclude park owners from arbitrary enforcement of park rules and regulations; disallow waiver of rights in lease agreement.	Legislator introduce legislation to modify the Mobile Home Park Act. Attorney General enforce upon passage.
Restrict lot rents to one increase per 12 months.	(same as above)
Restrict security deposit amount to two months rent and require accrual of interest at prevailing savings account rates.	(same as above)
Delete aesthetic considerations from 10 VSA 6236(b) as a criterion for removing mobile homes from parks.	Legislator introduce legislation. Executive Branch support introduction of legislation. DHCA distribute information on the change.

LIST OF RECOMMENDED ACTIONS continued

Actions	Actors
Conversion and Closing of Parks	
Identify parks threatened by conversion, and support resident or nonprofit purchase of the park.	Legislature appropriate funds for DHCA staff, and for grants to cover capacity building and predevelopment costs. DHCA assign staff to coordinate identification and offer technical assistance.
Apply provisions of 10 VSA 1331, Protection of Tenants in Conversion of Rental Units, to mobile home parks under the following circumstances: conversions, voluntary and involuntary closing, and partial closings.	Legislator introduce legislation. Executive Branch support passage. Attorney General enforce protections.
Zoning Discrimination	
Mandate affirmative housing goals and action programs in town plans as well as require population, housing need, and growth estimate elements in rural plans.	Legislator introduce legislation. Executive Branch support passage. DHCA enforce compliance and offer technical assistance.
Establish an independent administrative appeals board, or mandate Attorney General investigation of zoning complaints.	Legislator introduce legislation. Executive Branch support passage.
Provide more assistance in technical land use control to municipalities and regional commissions.	DHCA provide further assistance in this area.
Support the institution of tax abatement programs to alleviate fiscal zoning efforts.	New Commission members explore issues.
Address concerns on streamlining the zoning and building permit process on local and regional levels.	Environmental Board and Dept. of Health examine possible overlap and recommend action.
Withhold state funding from municipalities that do not conform their planning and regulatory process to legislative mandates or state housing policy guidelines.	Administrators of state grant/loan review program requirements, and add threshold requirements when lacking.
Clarify 10 VSA Section 6204 concerning prohibition of parks or unit density requirements.	Legislator introduce legislation. Executive Branch support passage. DHCA inform municipalities of clarification.

LIST OF RECOMMENDED ACTIONS continued

Actions	Actors
Affordability	
<i>Financing Mobile Home Parks</i>	
Encourage development/management of parks by community-based nonprofits.	DHCA offer support through accessibility to funding and technical assistance.
Study the feasibility of park ownership by cooperatives and land trusts.	Increase staff at DHCA to research issue and make recommendations.
Encourage the involvement of nonprofits in the development of mobile home parks.	Increase staff at DHCA to provide technical assistance to nonprofits.
<i>Financing Mobile Homes</i>	
Encourage conventional lenders to lengthen term of loans, and support financing programs for mobile home buyers.	Increase staff at DHCA to research issue and make recommendations.
<i>Real Estate Transfer Tax</i>	
Eliminate the requirement to prepay taxes upon the sale or transfer of mobile homes.	Legislator introduce legislation. Executive Branch support passage. DHCA inform municipalities of change.
<i>Exclusion of Sales Tax</i>	
Exclusion of sales tax on 50% of price of new mobile homes and 100% of price of used mobile homes.	Legislator introduce legislation. Executive Branch support passage. Tax Department implement change.

FACT SHEET ON MOBILE HOMES AND PARKS

Numbers of Mobile Homes (1980 Census of Housing)

Total number of mobile homes: 13, 239
Owner occupied: 10,025
Rented: 2,301

Mobile homes were the fastest growing form of housing in Vermont between 1970 and 1980. Mobile homes — 62.4%. All year-round housing units — 31.4%.

Mobile homes accounted for 6.8% of all year-round housing units in Vermont in 1980.

Numbers of Mobile Home Parks

Number of parks approved by Agency of Natural Resource since 1970: 63
Number of parks approved through the Act 250 process: 33
Number of parks listed by Agency of Natural Resources in 1975: 323

Mobile Home Purchase Price

The average sales price of new mobile homes was \$22,700 in 1984 and \$21,600 in 1983. (U.S. Department of Commerce Housing Starts, May 1985)

Site-built Home Purchase Price

The median purchase price of a single family home in 1985 is estimated at between \$61,000 and \$64,000. Even with today's prevailing interest rates, the minimum income required to finance such a home would be approximately \$30,000, substantially above the estimated 1985 median income of Vermont households at \$21,000. (AER Housing Needs Analysis, November 1986)

Numbers of Parks with Public Water

89 parks qualify as having public water systems (10 connections or more). (Vt. Department of Health, 1985)

HABITABILITY

Since the Commission received a substantial amount of information about substandard conditions in parks, particularly those existing before June 1, 1970 and therefore exempt from regulatory review by state environmental agencies, the members decided to concentrate on habitability issues in mobile home parks and not mobile homes sited on individually owned lots. This report is based on information received from owners and residents of parks, public officials from the Health Department and the Agency of Natural Resources, and housing specialists who have had direct experience with substandard conditions in parks, usually involving inadequate or failed water and sewer systems. Given the substantial cost often involved in repairing or replacing infrastructure in parks, the discussion here overlaps with those on Affordability and Conversions and Closings of Mobile Home Parks.

The Mobile Home Park Act (10 VSA Chapter 153) requires a permit for the development of a mobile home park to be issued by the Agency of Natural Resources (ANR). Though this act took effect on June 1, 1970, it does not apply to mobile home parks established and existing prior to that date. Consequently, preexisting parks are not regulated regarding site plan review. Furthermore, the owner of a preexisting park may develop an additional ten (10) mobile home sites in a park without obtaining a site plan review/permit from ANR. This is a problem because of the inadequacy of water and sewage disposal systems in many old parks.

Both enforcement agencies (ANR and the Department of Health) view this limitation as a major barrier to preventing, detecting, and remedying drinking water and waste disposal problems in existing mobile home parks. This need for strengthened enforcement is consistent with the results of a survey mailed to mobile home park residents by the Commission. Of 305 mobile home park residents responding, 77 (25%) noted that the water was "below average to very poor" and 48 (16%) noted that it was "average". When considered in conjunction with the testimony of Terry McCaig, discussed below, it seems that the water and waste disposal problems in mobile home parks, particularly older ones, require immediate attention.

Terry McCaig of the Health Department stated that 50% of preexisting parks have had problems with sewage systems. In addition to recommending that we eliminate the "grandfather clause," Terry recommended that the failure of a waste disposal system should require the park owner to go through the permit process. Terry also noted that the water systems in those parks were inadequate in many cases due to (1) lack of storage, (2) lack of chlorination, (3) undersized plastic pipes, (4) unsatisfactory pumping systems, and (5) lack of isolation from sources of contamination. Though the Health Department is able to regulate the approximately ninety (90) parks with public water systems (more than ten connections), McCaig's testimony is an additional reason to require owners of preexisting parks to go through the permit process when "construction of improvements, expansion or substantial redesign" is planned.

The cost of upgrading water and sewer systems in parks is often cost prohibitive without a substantial rent increase. Terry McCaig suggests that basic costs of upgrading water systems in parks of 10 units or more would run between \$10,000 — \$25,000. If a reservoir or storage unit was required, an additional \$300 per unit would be needed. The Commission recognizes that park owners cannot absorb this cost without help.

Recommended Actions:

Elimination of "Grandfather Clause" in the Mobile Home Park Act

The Commission recommends that the "grandfather clause" be eliminated from this act to give ANR specific statutory authority to regulate parks, similar to ANR's authority with respect to public buildings under Chapter 25 of Title 18. (See Appendix A. I. for legislation.)

Under current law and regulation, ANR review is triggered by new construction and includes sewage disposal, water supply, minimum lot area, parking area, common open space, roadways, landscaping and general aesthetics. Since the start of the permit program in 1970, ANR records indicate that approximately 32 mobile home parks have been approved by letter and 31 parks have been approved by permit. These figures do not include the 33 parks approved under Act 250. Thus, a total of just under 100 mobile home parks have been permitted since the act became effective. Elimination of the "grandfather clause" is intended to give ANR jurisdiction over all existing mobile home parks, regardless of the date initially developed or expanded. The proposed definition of "development" and the proposed addition of 10 VSA 6231(c) are designed to address ANR's concern that it has limited ability to initiate corrective action regarding water or sewer problems in existing parks.

Upgrading Water and Sewer Systems in Existing Parks

In order to facilitate the preservation and rehabilitation of existing park space, state agencies should provide greater access to subsidized funds and/or grants. In addition, the State should include mobile home parks in the evaluation of Vermont's infrastructure needs, and make subsidies available to park owners and developers.

LANDLORD TENANT RELATIONS

The current shortage of available mobile home sites allows significant inequities in the treatment of park residents. (A vacancy rate of 1% is the widely accepted figure.) In many instances, problems are not addressed because there is no threat of lost revenue to the park owner. Often there is little risk of the resident moving out since there is no place to move to. Even if the resident did move out, the site would be filled by another mobile home very quickly. This inequitable balance of economic power allows some mobile park owners to ignore residents' rights as tenants.

Recommended Actions:

Landlord Tenant Act

In 1986, the Legislature passed comprehensive landlord tenant legislation covering most residential rental agreements. However, it did not cover "the rental of mobile homes and mobile home sites in mobile home parks". Though it is not clear why parks were excepted, the Commission recommends that residents and owners of parks be given the same rights and responsibilities as other tenants and landlords. This can be accomplished by enacting legislation already introduced (H.53 an Act Relating to Rental Agreements for Mobile Homes) in the Legislature. (See Appendix A. II. for legislation).

However, in the area of eviction, mobile homeowners should be given more time, up to 60 days, to remove or sell the home after the park owner obtains a Writ of Possession as long as the home owner continued to pay lot rent in an amount set by the Court. Since it takes longer to move a mobile home, this lengthened period will give adequate protection to the park owner and give the resident a reasonable period of time to relocate.

The Commission recommends supporting H.53 with the following language added to 12 VSA Section 4854:

"Provided, however, that where the rental agreement entitles the tenant to occupy a site in a mobile home park, the court may stay execution on the Writ of Possession for a period not to exceed 60 days as long as the tenant continued to pay rent, in an amount set by the court."

Leases

In order to prevent mobile home park owners from the arbitrary enforcement of park rules and regulations, the Commission recommends that all such rules and regulations be included in a written lease and that a park owner's failure to enforce a regulation against one park resident precludes him/her from enforcing it against any other resident. Also, in order to prevent prospective park residents from being pressured into waiving rights as a condition of moving into the park, the Commission recommends that no waiver of rights be allowed in the lease agreement.

Rent Increases

Frequent park rent increases make home budgeting impossible for many mobile home park residents. A mobile home park owner should usually be able to project his/her costs over a twelve-month period and set rents accordingly. The Commission, therefore, recommends that mobile home park owners be restricted to one rent increase per twelve months. This refers principally to lot rents as most residents are owners of their homes.

Security Deposits

A security deposit should be reasonable in amount and the owner of the asset (payor of the deposit) is entitled to all earnings on the amount held. The Commission therefore recommends that the legislature restrict the amount of security deposit held by the park owner to an amount not exceeding two months rent and that interest accrue at the prevailing bank savings account rate.

Aesthetics and Evictions

Aesthetic considerations should be deleted from 10 VSA 6236(b) as a criterion for requiring the removal of a mobile home from a mobile home park. The statutory weight given this very subjective consideration is subject to abuse and is not a proper basis for imposing the hardship and expense of eviction and relocation or the forced sale of the mobile unit at considerable financial loss to the owner.

CONVERSIONS & CLOSINGS OF MOBILE HOME PARKS

The Commission recognizes the importance of providing adequate notice and assistance to residents of mobile home parks which may be closed, voluntarily or involuntarily, or converted from rental to ownership status. When conversion or sale is contemplated by the owner, residents should be given adequate time to remain in the park after the change in ownership or to make alternative arrangements which would include sale of these homes or removal to another park.

The Commission recommends that certain provisions of Subchapter 2 of Chapter 15 of Title 27 (27 VSA 1331 — Protection of Tenants in Conversion of Rental Units) apply to mobile home parks. This will give residents an opportunity to acquire an ownership interest in the park *or* adequate time to move their home to another suitable location.

Recommend Actions:

State Assistance to Residents

As a matter of state housing policy, the State should identify the parks which are threatened by conversion to another form of ownership or use which is unaffordable to residents; and provide technical, organizational and financial assistance to facilitate resident or nonprofit purchase of the park. Specifically, the Department of Housing and Community Affairs (DHCA) should assign a staff person to coordinate the identification of "at risk" parks and community-based nonprofit corporations willing to organize park residents to buy and operate these parks. The legislature should appropriate adequate funds to DHCA to increase staff and provide grants to residents, or nonprofits chosen by residents, for local capacity building and predevelopment costs (organizing, water and sewer testing, earnest money, professional fees).

Conversions

When a park is converted from rental ownership to cooperative ownership or condominium association, the park owner or developer shall be required to give residents timely and adequate notice. Thus, all park residents would be entitled to six month's notice; low income park residents would be entitled to one year's notice; and elderly and handicapped park residents would be entitled to two year's notice.

The owner/developer shall give all residents an exclusive right to purchase their lot for ninety days after the notice described above and the owner shall pay relocation costs to displaced residents for the actual documented costs, not to exceed \$1,000, when the residents leave the park on or before the expiration of half the applicable notice period.

Involuntary Park Closing

When the owner closes the park due to insolvency or agency order (health hazards), the owner shall provide timely and reasonable notice to all residents and file a relocation plan with the Department of Housing and Community Affairs. Until the owner files such a plan with DHCA *and* it is approved by DHCA, the owner shall not voluntarily convey any legal or equitable interest in the park.

When such a relocation plan includes organizational or relocation expenses, the owner shall be required to create a fund to cover all expenses. When the owner fails to cover such expenses, DHCA shall do so and has the right to put a lien on the park to recapture any expenditures for this purpose. Alternatively, the state shall create a fund for this purpose and seek reimbursement from the owner, or his assets.

Voluntary Park Closings

When the owner voluntarily closes the park (sale to developer for shopping center, etc.), residents are entitled to the applicable protections discussed above (notice and relocation costs). A relocation plan should be filed with the Department of Housing and Community Affairs as described above. Additionally, the owner shall advise all residents of the date that property will be listed for sale, the expected sale price/terms, and that the owner will consider a purchase offer from residents on the same basis as one received from a nonresident bona fide purchase. Residents shall be given six months to match any offer on the property (right of first refusal).

Partial Park Closing

When an owner proposes to close part of the park, even temporarily, he shall provide affected residents with: 1) adequate and timely notice, 2) right of first refusal on other sites in the park, 3) relocation to a temporary site within the park for no longer than six months and not between October 1 and March 30, and 4) the residents shall pay no lot rent during the temporary relocation period.

ZONING DISCRIMINATION

The fate of the mobile home is inextricably tied to municipal policies and practices that affect all housing and must be considered in the same context. Whether or not intentional, some individual municipalities have tended to ignore their responsibility for providing sufficient land at appropriate densities, a suitable living and working environment, and adequate services and facilities for the total community of people who must live or who choose to live within their boundaries. This tendency has resulted in severe social inequities, and in some cases has shifted an undue fiscal burden to other areas of the region. Without an adequate planning base, these municipalities have chosen to maintain the status quo by adopting land use controls designed to protect property values and keep property taxes down. They may also have adopted regulatory policies that ignore other equally important and competing socio-economic factors, such as, economic development and equal access to housing. The realization of this view is pursued by one group at the expense of and with little or no regard for others.

This diversion of lower — and moderate — income housing to other communities is accomplished by a variety of techniques including: overzoning for nonresidential uses; large-lot and excessive frontage requirements; the prohibition of multi-family housing, mobile homes, and the expansion or establishment of mobile home parks; moratoriums on development; residential permit quotas; excessive permit fees; illegal subdivision exactions; administrative delays; discretionary review procedures; and the attachment of arbitrary and unreasonable conditions to permit approval. These techniques also have the potential for working against the professed protective objectives. For example, large-lot zoning encourages scattered development that will eventually require the extension of services over greater distances, resulting in higher per capita costs, and it will diminish open space.

Because of the widespread practice of prohibiting mobile homes by excessively restrictive municipal land use practices and their arbitrary administration and enforcement, the 1975 Adjourned Session of the Vermont Legislature passed 24 VSA 4406(4), as an amendment to 24 VSA Chapter 117, The Vermont Planning and Development Act. This prohibited any distinction between conventional site-built single-family dwelling and mobile homes, modular, or prefabricated single-family housing. While this legislation was effective in eliminating overt discrimination against mobile homes and mobile home parks, numerous administrative and enforcement abuses persisted. The 1981 Adjourned Session sought to rectify the problem by providing aggrieved individuals with an administrative level of appeal to the attorney general's office, 24 VSA 4445a. Since the language of this provision is permissive, the attorney general has the discretion to consider a complaint and to take legal action against the municipality where warranted. The burden of proof is on the municipality to prove that its bylaw or its manner of administration does not violate 24 VSA 4406(4), 4382(d), or 4383(b) relating to the equitable treatment of mobile homes, mobile home parks, and the provision of adequate land area at appropriate densities for affordable housing.

Subsection 4445a was, in fact, expressly designed to give interested persons a realistic opportunity to seek legal redress from exclusionary ordinance provisions or arbitrary and illegal actions or delays by municipal administrators, planning commissions, and boards of adjustment that intentionally or effectively exclude mobile, manufactured, or any form of housing. The courts are not available to most of these people and many municipal officials know and take advantage of this fact. Section 4445a was intended to provide them with an opportunity to be heard, by requiring an objective evaluation of their claim and an equitable resolution based on facts without their having to relinquish their rights or finance an attorney for a court contest.

Several municipal ordinance prohibitions against mobile homes were investigated by the attorney general subsequent to the passage of Subsection 4445a in 1982. However, recent complaints of arbitrary municipal administrative actions prohibiting mobile homes, as well as conventional housing, which are in clear violation of 24 VSA 4406(4) have been rejected by the attorney general's office on the grounds that they have no authority to intervene unless there is an overt exclusion of mobile homes per se. This is not what the statute says or what was intended, but no recourse is left but an appeal to the courts.

The fact of the matter is that judicial scrutiny of exclusionary land use controls, and refusal by the courts to countenance such practices, are not solutions to the problem. Judicial avenues of reform are slow, costly, and uncertain. They have little impact on the widespread forces of exclusion and cannot realistically make available a variety and choice of housing. Additionally, there are substantial legal (statutory and constitutional), procedural (standing), and practical (cost, delay, and continuing jurisdiction) difficulties that mitigate against effective judicial relief.

It is apparent that a resolution of the ongoing conflict between and among local and state interests can be achieved only by a combination of legislative directives to local municipalities and the establishment of an administrative review and appeals body at the state level with the authority to override local zoning and subdivision decisions that deny permits for all types of housing. Such a procedure could be patterned after the Massachusetts Zoning Appeals Law, but with necessary adjustments to conform to the Vermont enabling legislation and correlate with the Act 250 approval process. The objectives should be to (1) provide equitable treatment for all housing proposals in accordance with reasonable fair share regional determinations, (2) achieve a reasonable balance of interest between housing needs and environmental and fiscal impacts, and (3) simplify the municipal and state permit and appeals process to avoid duplication and unnecessary delay.

Recommended Actions:

Partial remedies to the problem of exclusionary land use controls affecting mobile homes as well as conventional housing should include the following:

- Mandatory affirmative housing goals and action programs and the classification in both rural and urban municipal plans of "suitable land areas for appropriate housing to meet the need of the existing and projected population".
- Mandatory population, housing need, and growth estimate elements in rural plans, similar to the 24 VSA Section 4382(c) requirements for urban municipalities.
- The language of 24 VSA Section 4445a should be changed to mandate that the attorney general investigate and hold a public hearing on any housing complaint filed under this section and take legal action against the respective municipality upon determining that it has violated 24 VSA Sections 4406(4), 4382(d), or 4383(b).

Alternatively, an independent administrative appeals board could be established to hear and decide all zoning complaints prior to an appeal to the superior court. Municipalities could also use the process as a first stage in taking legislative enforcement action against zoning violations, but the primary purpose and advantage would be to make available to a greater number of aggrieved people an opportunity to adjudicate legitimate zoning complaints, including those involving the exclusion of mobile homes.

- A greater degree of technical land use control and related legal assistance should be provided local municipalities and the regional commissions to insure sound regulations and their fair and equitable administration and enforcement with respect to housing.

- Because of the prevalent complaint that new housing increases the burden on the local school system and municipal services and facilities and, consequently, on property taxes, a program of state financing, loans, and tax abatement programs should be instituted to alleviate fiscal zoning efforts to resist or exclude higher density, lower-income housing, such as, mobile home parks.
- Under existing law, two or more mobile homes on a parcel of land in single ownership are subject to state health department subdivision regulations or Act 250, the state mobile home park regulations, and municipal zoning. Mobile home parks are subject to an additional state building permit for approval of the electrical service connections if they contain four or more dwelling units, on the premise that they are a residence or dwelling containing four or more dwelling units, 26 VSA Section 881. Although there may be a public safety justification for applying the electrical code to single-family dwelling units in a park situation, no purpose is served by subjecting a mobile home park to both 24 VSA Chapter 153 and the state subdivision or Act 250 review and approval process; one or the other of the regional approvals should be eliminated or the processes merged.
- Taking into account the capacity of municipalities to provide for housing, state grants or shared grants and other state funded public programs could be withheld from municipalities that fail to conform their planning and regulatory process to legislative mandates or state housing policy guidelines.
- It must be made clear in 10 VSA Section 6204 that municipalities may not prohibit the establishment or expansion of mobile home parks that meet all state regulations or require a unit density for new parks that meet all state regulations or require a unit density for new parks or the expansion of existing parks lower than that established by 10 VSA Section 6235.

AFFORDABILITY

Under the National Housing Act, all Vermonters have a right to live in decent, safe, and affordable housing. The challenge is to provide such decent housing at an affordable cost, which the Act defines as thirty percent of family income for gross shelter costs (rent/mortgage payment plus utilities).

Given the cost of mobile homes and the density of mobile home parks, mobile home living is a low cost method of home ownership. However, even with these economies, mobile home living may *not* be affordable for lower income Vermonters because of the scarcity of sites in parks and land for new park development. Given these market forces, it is necessary for the Vermont community (the public and private sector in all municipalities) to address the economics of the housing market and to provide public and private funds to members of the community working to develop and maintain affordable options for mobile home owners.

Until affordable mobile homes can be purchased and sited without public or private subsidies, the State of Vermont should channel existing subsidies to mobile homes, develop new resources and mechanisms to guarantee affordability and lower the hurdles to affordable mobile home living which exist at the state and local level.

Cost and Financing of Mobile Home Parks

The factors which determine the resident cost of living in a mobile home park are very similar to those which affect the cost of renting in a multi-family housing project. In mobile home parks, rental costs include lot rent (debt service, maintenance, management and profit) plus mortgage payments (debt service on home financing), taxes and utilities. Generally speaking, without development/rental subsidies from the government, it will be very difficult for private mobile home park developers to provide low and moderate income families with affordable lot rents. If this is true, then the only answer is for the state to subsidize the development of mobile home parks, possibly in conjunction with FmHA 502 loan money being made available to purchasers of new mobile homes. However, state funds used for housing subsidies should be flexible and subject to recapture or reuse in order to guarantee long-term affordability. This is where nonprofit developers, land trusts, housing coops, mutual housing, shared housing, equity conversion and self-help housing enter the picture.

At this point, there is no separate state or federal program which provides subsidized financing for the development of mobile home parks. However, affordable housing programs administered by the Farmers Home Administration (FmHA), The Vermont Community Development Program (VCDP), and the Vermont Housing and Conservation Board (HCB) all administer programs designed to house lower income Vermonters under which mobile home park development is an allowable activity. Most of these programs provide grants and loans for the preservation, rehabilitation, and development of mobile home parks affordable to Vermonters whose income is at or below median. (See Appendix D for listings of FmHA, VCDP, HCB & VSHA offices.)

Under the FmHA 515 Rural Rental Housing Program, hereinafter 515 Program, private and non-profit developers can receive mortgage loans with an interest rate as low as one percent to construct rental housing which is affordable to lower income Vermonters. Typically, FmHA loans the money to developers for the construction of rental housing in rural areas and, additionally, may provide Rental Assistance (R.A.) to provide an additional, recurring subsidy to very low income families who cannot afford the rents even at the subsidized permanent loan rate (1%). Consequently, the combination of subsidized permanent loans and annual rental subsidies for some tenants results in

rental housing that is affordable to low income Vermonters. Effective November 1986, this type of federally subsidized assistance is available from FmHA for the design and construction of manufactured home communities, including mobile home parks as rental projects (515) or subdivisions under the 502 Program, discussed above. Since this is relatively new authority, the Commission is not aware of whether FmHA has actually provided assistance for mobile home park development under the 515 Program. However, if developers are willing and able to comply with FmHA regulations on park development, this is the most economical financing available in the State today, except where other subsidies are used to reduce the effective interest rates on permanent loans.

Where a developer has already received municipal approval for mobile home park development (at least conceptual approval), another option is to have the municipality apply for a grant from VCDP. A municipality could use such a grant to subsidize the development costs of a mobile home park and/or assist future residents of that park by providing grants or low-interest loans to help reduce the cost of purchasing a mobile home for placement in the park. As VCDP is a competitive program with specific guidelines, interested persons should discuss projects with staff before applying.

The following are examples of subsidized parks using the resources available from the State. The Vermont State Housing Authority has played a significant role in mobile home initiatives in general, and particularly in the first three projects mentioned below.

- Sterling View, Hyde Park, used a \$188,500 loan provided to the developer through VCDP and the Town of Hyde Park. The loan is interest free during the development phase. After occupancy, the interest rate will be determined on an annual basis, based on operating costs. 79 sites will be developed with lot rents beginning at \$90 or \$95 and stabilized on a fixed schedule for five years.
- Johnson Trailer Park, Johnson, was an existing park in dilapidated condition. It was acquired by a private developer who received a \$100,000 mixed grant/loan through VCDP and the Town of Johnson in return for agreeing to a comprehensive rehabilitation for the park. The park has 33 sites with lot rents going from \$85 to \$95 after acquisition.
- Tri-Park, Brattleboro, is three parks acquired by the Housing Foundation, Inc. (the nonprofit development arm of the Vermont State Housing Authority). With a total of 336 sites, the parks will eventually be transferred to a tenant cooperative. Acquired for \$3,950,000, a \$50,000 downpayment was made with a grant from the Town of Brattleboro with VCDP funds. The balance was financed by the former owner. Because of the new debt, as well as tax and water/sewer increases, the lot rents were raised \$22 per month in all three parks.
- The Town of Brandon received a VCDP grant to complete a comprehensive housing revitalization project in one neighborhood. This area will benefit from rehabilitation funds, rent stabilization, and management services from a community-based nonprofit. One of the two mobile home parks will be reduced in density from seven homes to four. The projected lot rent will be \$75/month made possible by a \$15,326 public subsidy. These funds will be used to prepare the site with concrete pads prior to the siting of new mobile home units. The Bennington-Rutland Opportunity Council (BROC) designed this program and will administer the VCDP grant.

Where nonprofit developers are preserving or constructing mobile home parks which would be perpetually affordable (nonprofit ownership, community land trusts, and limited equity coops), state financial assistance may be available from HCB under the recently enacted Housing and Conservation Trust Fund. Under this program, nonprofits, municipalities, limited equity housing cooperatives and certain departments of state government are eligible to apply for grants/loans from the HCB to preserve, rehabilitate or develop housing which is affordable to lower income Vermonters with a priority given to projects which prevent the loss of subsidized housing units and are of perpetual duration. Since the Trust Fund had an effective date of July 1, 1987, municipalities and nonprofit developers have not presented an affordable mobile home park proposal to the HCB; however, it is definitely a new source of state subsidy for this purpose.

Even though there are some subsidies and low interest financing available for park development and the purchase of mobile homes, market pressures and local disincentives (discussed elsewhere) make it very difficult for potential mobile home owners to count on sites, (either in parks, lots, or subdivisions) being available and affordable. Consequently, in addition to providing subsidies for lower income homeowners and renters, the State must develop land use and tax policies which will encourage communities to approve this type of affordable housing. Until there is property tax reform and an inclusionary zoning and planning mechanism throughout Vermont, it will remain very difficult to increase the number of mobile home sites available to lower income Vermonters.

Recommended Actions:

In order to promote the affordability of mobile home parks, the State of Vermont should:

- Encourage the development/management of mobile home parks by community-based nonprofits, possibly through a state-funded program similar to HUD's 202 but with the emphasis on family housing;
- Study the feasibility of cooperative mobile home parks or mobile home park subdivisions where title to the real estate is held by a community land trust and the homeowner resides on the site pursuant to a long-term lease with rent stabilization/control over the term of the lease;
- Encourage and extend the involvement of agencies such as Vermont State Housing Authority's nonprofit, Housing Foundation, Inc., in the development of mobile home parks.

Cost and Financing of Mobile Homes

Other factors which may make mobile home park living unaffordable include the retail cost of new mobile homes, the costs of financing the purchase of the home, and state tax policy. U.S. Department of Commerce statistics indicate that the average sale price of a new mobile home priced for residential use in Vermont in 1984 was \$22,700. Though this average sale price is significantly lower than the cost of a conventional single family home, when one combines principal, interest, taxes, insurance, and the uncertainty of this investment, it looks quite expensive and somewhat risky to the low-income Vermonter.

Since mobile homes are not permanently affixed to the real estate, they are sold as tangible personal property. Thus, interest rates tend to be somewhat higher than offered to conventional homeowners and the term of the loans tend to be significantly shorter. For example, as of October 1, 1985, the Vermont Federal Bank was financing the purchase of new mobile homes on the following terms: 15% downpayment, 1% origination fee, 15 year term, 12.5% variable interest rate. Interestingly enough, Walter Benoit (VFB) testified that there was little or no pressure to go beyond 15 years (possibly because customers who are going to dealers can afford the debt service). Interest rates for the purchase of used mobile homes are 13%.

Under the terms offered by the Vermont Federal Bank, the cost of purchasing a mobile home which retails for \$25,000 would be:

\$3,750	downpayment
213	loan origination fee
1,000	sales tax
260	property tax
250	miscellaneous
300	security deposit and park rent
<hr/>	
\$5,773	total cash needed at closing

This family would owe a total of \$391.66 on a monthly basis for the term of the loan (mortgage, lot rent, property taxes) which requires an annual income of \$16,785 (principal, interest, taxes, insurance, and lot rent divided by $.28 \times 12$).

Subsequent to the time that Mr. Benoit testified before the Commission, both the U.S. Farmers Home Administration (FmHA) and the Vermont Housing Finance Agency (VHFA) have received the legal authority to provide mortgage loans secured by the owner-occupant's interest in a mobile home affixed to realty. Consequently, the financing options for lower income Vermonters who are interested in purchasing a mobile home are increasing. As of November 18, 1986, FmHA was authorized to provide low-interest loans to lower income Vermonters for the purchase of new mobile homes under the FmHA 502 Rural Housing Program. Under the 502 program, FmHA loans money to low and moderate income persons at an interest rate subsidized by the government which can be as low as one percent. Since this interest rate is based on the borrower's annual income and the term of the loan is thirty (30) years (for a mobile home purchase), this is significantly less expensive than financing a mobile home loan at a local bank. Normally, FmHA must hold the only mortgage on the tract of land where the mobile home is sited. Consequently, the FmHA 502 Program will usually help those buyers with land outside of parks, either purchased outright or secured through a 50 year FmHA approved lease.

The Vermont Housing Finance Agency (VHFA) enabling legislation was also amended in 1987 to allow it to make mortgage loans on mobile homes which are permanently sited in a manner intended for continuous residential occupancy by the owner on land owned by the owner *or* land leased by the owner. In either case, the VHFA mortgage must be the first lien on the property.

VHFA also administers the Mortgage Credit Certificate Program which is available to mobile home owners. The credit is taken on the mobile home owner's personal income taxes to the federal government, reducing the homeowner's tax liability. The VHFA estimates that this program effectively reduces the homeowner's housing costs by approximately \$100/month. This program is available to site-built and mobile home owners who meet the income guidelines.

The Vermont Home Mortgage Guarantee Board (VHMGB) guarantees mortgage loans for the purchase of manufactured housing. However, like FmHA, this assistance is available to low and moderate income borrowers only where the home is permanently affixed to real property and is taxed as real estate. (See Appendix D for listing of FmHA, VHFA, and VHMGB offices.)

Under current Vermont tax law, the buyer of a mobile home has significantly more tax liability than the buyer of a single family home because the former pay sales tax 32 VSA 9771, and is required to prepay real estate taxes, 32 VSA 5079. Though the distinction between mobile homes and conventional housing may make sense from a tax perspective, it makes little sense to the family searching for affordable housing and definitely increases the closing costs. Please note that the sales tax only applies to the purchase of a mobile home not already sited on real estate.

Recommended Actions:

The State of Vermont should take the following action to reduce the financing/closing costs for the buyer of a new mobile home:

- Encourage conventional lenders to lengthen the term of loans to twenty-five or thirty years.
- Support FmHA, VHFA, and VHMGB in their efforts to provide mobile home financing to potential buyers.

Real Estate Tax

Under 32 VSA 5079, an individual is required to prepay the current year's real estate tax upon purchase, transfer or removal of a mobile home from the town in which the mobile home was last listed. In many cases, this provision increases closing costs on the purchase of the mobile home to the point of making the purchase economically unfeasible for a low-income person.

The original intent of this provision was to prevent loss of revenue resulting from individuals purchasing mobile homes and transferring them out of town without paying the assessed real estate tax. Since most sales of mobile homes by owners other than manufacturers, distributors or dealers do not result in the removal of the mobile home, the burden of prepaying an entire year's real estate tax could be avoided by many. The safeguard against loss of revenue remains in tact for mobile homes removed from the town.

Recommended Actions:

Eliminate the requirement to prepay real estate taxes upon the sale or transfer of mobile homes, where such sale or transfer does not result in the removal of the mobile home from the town in which it is listed. (See Appendix A. III. for legislation.)

Exclusion of 50% of the Sales Price of New Mobile Homes and 100% of the Sales Price of used Mobile Homes From the Sales and Use Tax

Under 32 VSA 9771, a sales tax is imposed on all retail sales of tangible personal property unless specifically excluded. Since upon passage of title of a new mobile home the home is not yet affixed to realty, it is classified as personal property and subject to the sales and use tax, even though it cannot be used for its intended purpose until it does become affixed to realty by various utility connections. A subsequent sale of the mobile home is again subject to the sales and use tax if it is sold by a dealer and is not set up as realty at the time of title transfer. All personal residences, on the other hand, become affixed to realty as they are being built, and therefore only the materials are personal property subject to the sales and use tax. Any subsequent sale of a personal residence is excluded from the sales tax completely. This discrepancy could be corrected by treating mobile homes as real property. Under this treatment, the manufacturer would pay sales taxes on materials purchased for the manufacture of the mobile home, and the retail sales of mobile homes would be exempt. However, such tax treatment would result in a significant loss of revenue to the State. Therefore, in order to put the taxation of mobile homes on par with other types of dwellings, it is reasonable to tax only that portion of the retail sales price of the mobile home which represents the cost of materials. Interviews with representatives of the National Mobile Home Dealers Association, the Vermont Department of Taxes, and Mr. Neil Pendergast, a mobile home dealer, indicated that 50% of the retail price of a mobile home would approximate the manufacturer's cost of materials.

Although all types of housing are built and used for the same purpose, the mobile home is unfavorably taxed simply because of the time and place of the passage of title. That is, because title of a mobile home passes before it is affixed to realty, the purchaser pays sales tax on the cost of materials, labor, overhead, transportation, and dealer's profit. No other item is viewed as personal property at one instant and realty at the next, with no substantial change in form or function. Classifying mobile homes as realty would be consistent with the substance over form principle which governs all taxing authorities. This principle looks through the form and identifies the substance of the transaction.

Recommended Actions:

To exclude 50% of the retail sales price of new mobile homes and 100% of the sales price of used mobile homes, 32 VSA Section 9741 needs to be amended, with additions underlined:

Sales not covered (a) receipts from the following shall be exempt from the tax on retail sales imposed under section 9771 of this title . . .

(29) Fifty percent of the sales price of a new mobile home.

(30) Sales of used mobile homes.

CONCLUSION

Mobile homes are a factor in the housing issue. The number of mobile homes in Vermont grew by 62.4 percent in the last decade and accounted for 6.8% of all year-round housing units in Vermont as of 1980. The quality of mobile home living is an issue that affects an increasing number of Vermonters. There are a number of parks in Vermont which evidence the fact that quality mobile home living can mutually benefit park owners and park residents. The State of Vermont must take an active role in achieving that end. All state agencies and quasi-government agencies must be required to view mobile homes and mobile home parks a valid components of the state housing policy.

There is an urgent need for mobile home park development in Vermont. The State is in a position to make a significant impact on the growth of these parks. Subsidized financing programs for affordable rental housing construction must not only allow, but encourage the use of these funds for mobile home park development. The State must also undertake an on-going educational program to keep municipalities informed of their obligations to refrain from exclusionary zoning policies, and the State must provide resources to facilitate the creation of land trusts dedicated to mobile home park development.

Another area in which the State could play a significant role in improving the quality of mobile home living is in improving the quality of existing parks. Enforcement of existing laws governing standards for mobile home parks are inefficient due to the confusion over jurisdiction. The State needs to clarify lines of authority and insist that various agencies actively enforce the regulations under their jurisdiction. Subsidized financing programs must encourage the use of their funds to make improvements to the degenerated infrastructure of older parks.

Finally, the State must take an active role in addressing the affordability of mobile homes. Reclassifying mobile homes as real estate would make a major difference in the affordability of mobile homes. Not only would this reclassification eliminate discriminatory taxation, but it would also lead to longer term financing and a decrease in downpayment requirements at the closing. Mobile homes are intended to be used as real estate and classifying them as personal property is inconsistent with the facts.

The Commission spent much of its time in data gathering and discussion of issues covered in this report. Because of the members' diversity in philosophical and experiential backgrounds, we were able to come to conclusions that were balanced in prospective and practical in implementation. We would encourage the appointment of another commission with similar diversities to follow up on issues that were either not addressed or unresolved by this commission. Some of those issues are as follows:

Energy efficiency, manufactured housing, flood hazard areas, lemon law for mobile homes, rent control for mobile home parks, regulatory process as a barrier to mobile home park development, requirement of park owners to recapture government-paid portions of subsidized financing when the parks become profitable, whether or not park owners should be allowed to acquire and sell mobile homes in their parks, whether park owners should be required to notify tenants of impending sale of a park and offer a right-of-first-refusal, whether mobile home owners should be required to offer the park owner a right-of-first refusal on the sale of a home.

Some data gathering and preliminary discussion has taken place on many of these issues and a new commission could readily pick up where this one left off.

APPENDIX A

LEGISLATIVE INITIATIVES

I. S.88 An Act Relating to Mobile Home Parks

To eliminate the "grandfather clause" in 10 VSA Chapter 153, The Mobile Home Park Act and to give the Agency of Natural Resources jurisdiction over waste disposal in all mobile home parks, the following statutory sections of Title 10 need to be amended, with additions underlined and deletions [bracketed] as follows:

1. 6231. *Permit required*

(a) No person shall [establish or maintain] commence construction on a mobile home park development, as defined in Section 6201 of this title, except pursuant to a permit issued by the agency. A person desiring to [establish] develop a mobile home park shall make written application to the agency on forms furnished by the agency, and shall submit such supplementary data and information as the agency requires, including a site plan. The agency may by regulation require payment of fees for a permit, provided that the amount of any fees shall be only such as is reasonably necessary to defer the cost of processing applications for permits and administering this chapter. The agency shall issue rules and regulations consistent with this chapter to carry its provisions into effect.

(b) Subsection (a) shall apply to any substantial change in all mobile home parks established and existing prior to June 1, 1970. Subsection (a) shall also apply to substantial changes in mobile home parks established or expanded subsequent to June 1, 1970 and not governed by Chapter 51 of Title 10.

(c) Notwithstanding subsection (a) mobile home parks shall conform to applicable state regulations regarding the adequacy of provisions for drainage of surface waters and for waste disposal and regulations regarding sanitary conditions necessary for the public health of mobile home park residents.

2. 6233. *Issuance of permit; revocation; appeals*

(a) Within 60 days after receipt of an application the agency shall give to each applicant for a permit to [establish] develop a mobile home park under this chapter written notice of whether the application is approved or rejected. Any permit granted under this chapter shall be for a specified period determined by the agency in accordance with the rules adopted under this chapter as a reasonable projection of the time during which the land will remain suitable for use if developed as contemplated in the application, with due regard for the economic considerations attending the proposed development. The agency may include in a permit conditions, restrictions or limitations consistent with this act in furtherance of its purposes, including limitations on the number and location of mobile homes to be placed within the park.

3. REPEAL 6235(b) [The number of developed mobile home sites in any mobile home park existing on the effective date of this chapter may be increased by not more than five after this chapter becomes effective. The number of such sites may be increased by more than five if the park complies with the requirements in subdivision (4) of subsection (a) of this section, and the new mobile home sites comply with the requirements of subdivisions (3), (4), and (6) of subsection (a) of this section. If the number of sites is increased by more than ten, the increase shall be subject to site plan review under section 6232 of this title.]

4. 6201. *Definitions* As used in this chapter, unless the context requires otherwise:

(8) "Development" shall mean the construction or maintenance of a mobile home park constructed or maintained on a tract or or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land. The word "development" also means the construction of improvements, expansion, or substantial redesign of an existing mobile home park.

II. H.53 An Act Relating to Rent Control

Sec. 1. 10 V.S.A. Section 6204 is amended to read:

Section 6204. APPLICATION OF OTHER LAWS AND REGULATIONS

- (a) A municipality may impose more restrictive requirements on mobile home parks and mobile homes than are contained in the chapter to the extent it is authorized to do so under other legislation.
- (b) Other applicable laws and regulations which are more restrictive than this chapter shall prevail.
- (c) To the extent that they are consistent with this chapter, the provisions of chapter 137 of Title 19 (residential rental agreements) and the provisions of subchapter 3 of chapter 169 of Title 12 (eviction) shall apply to the occupancy and rental of a mobile home but not to the rental of a mobile home lot.

Sec. 2. 9 V.S.A. Section 4452 is amended to read:

Section 4452. EXCLUSIONS

Unless created to avoid the application of this chapter, this chapter does not apply to:

- (1) occupancy at a public or private institution, operated for the purpose of providing medical, geriatric, educational, counseling, religious or similar service;
- (2) occupancy under a contract of sale of a dwelling unit or the property of which it is a part, if the occupant is the purchaser or a person who succeeds to the interest of the purchaser;
- (3) occupancy by a member of a fraternal, social or religious organization in the portion of a building operated for the benefit of the organization;
- (4) transient occupancy in a hotel, motel or lodgings subject to a tax levied under chapter 225 of Title 32, except of a person is occupying a dwelling unit therein under a rental agreement;
- (5) occupancy by the owner of a condominium unit or the holder of a proprietary lease in a cooperative;
- (6) * [occupancy and] * rental of a * [mobile home or a] * mobile home lot * [, if the occupancy and rental is]* governed by chapter 153 of Title 10.

III. 32 VSA 5079. Real Estate Tax

To eliminate the requirement to prepay real estate taxes upon the sale or transfer of mobile homes, where such sale or transfer does not result in the removal of the mobile home from the town in which it is listed, the following statutory sections need to be amended, with additions underlined and deletions [bracketed] as follows:

1. **5079 (b).** An owner of a mobile home, except those held for sale by a manufacturer, distributor or dealer, may not [sell, trade or transfer] remove the home from the town in which it is listed without a mobile home uniform bill of sale endorsed by the clerk of the municipality in which it is located indicating that all real and personal property taxes assessed against the owner have been paid.
2. **5079 (c).** Any person, including the owner of a mobile home or his agent, who [sells, transfers or] removes a mobile home without having in his possession a mobile home uniform bill of sale endorsed by the clerk of the municipality where the mobile home was located as required by subsection (b) of this section shall be fined not more than \$300.00.
3. **5079 (d).** A mobile home[s] [sold, transferred or] removed from a town without a mobile home uniform bill of sale endorsed by the clerk of the municipality where the mobile home was located as required by subsection (b) of this section may be taken into possession by any sheriff, deputy sherriff, constable or police officer, or by the treasurer or tax collector of the town in which the mobile home was last listed if known, or by the commissioner of taxes if that town is unknown. A mobile home taken into possession under this section by an officer other than the collector of taxes shall be delivered promptly to the collector of taxes of the town in which the mobile home was last listed. In taking possession, the authorized officer may proceed without judicial process only in the event that the taking of possession can be done without breach of the peace. Proceedings for collection of the taxes assessed against and due with respect to the mobile home shall then be conducted in accordance with subchapter 9 of chapter 133 of this title.
4. **5079(e).** Taxes assessed against mobile homes shall be considered due for purposes of this section as of the date of [sale, transfer or] removal of the mobile home from the town in which the mobile home was listed, and the owner shall be liable for fees provided for in section 1674 of this title from the date of removal.
5. **5079 (f).** The treasurer or tax collector any town [in which a mobile home is sold, transferred, or] from which a mobile home is removed without an endorsed mobile home uniform bill of sale required by subsection (b) of this section, may notify the director of the division of property valuation and review of the removal giving a description of the mobile home by serial or other number if known. If the director is notified of the seizure of a mobile home as provided in subsection (d) of this section, he shall immediately notify the treasurer or tax collector of the town, if known, in which the mobile home was last listed on the grand list.

APPENDIX B
BRIEF SUMMARY OF
MOBILE HOME RESIDENT SURVEY RETURNS

November 1985

Resident surveys sent	— 885
Resident surveys returned, coded and entered in computer	— 305
Percent resident response	— 34%
Owner surveys sent	— 49
Owner surveys returned	— 10
Percent owner response	— 20%

1. By county:

Bennington	45	—	15%
Chittenden	82	—	27%
Washington	44	—	14%
Windham	42	—	14%

2. 89% between 12' and 14' wide
 76% between 60' and 70' long

3. Bedrooms — 2 — 193 — 63%
 — 3 — 106 — 35%

4. Date Manufactured — Pre 1976 — 182 — 60%
 P Post 1976 — 119 — 39%

5. Owners — 289 — 95%
 Renters — 14 — 5%

6. Length of Residency

1 — 3 years	—	135	— 44%
4 — 15 years	—	145	— 48%
16 — 20 years	—	18	— 6%
21 — + years	—	5	— 2%

7. Lived in other parks — Yes — 76 — 25%
 — No — 228 — 75%

8. Price range — \$1,300 to \$60,000
 most responded — \$5,000 to \$20,000

9. Broker used — Yes — 67 — 22%
 — No — 230 — 75%

10. Mobile home setup — Yes — 156 — 51%
 — No — 142 — 47%

11. Informed of rights — Yes — 240 — 79%
 — No — 61 — 20%

12. Signed lease — Yes — 180 — 59%
 — No — 119 — 39%

13. Fuels used as primary source

Gas	—	32	— 10%
Oil	—	104	— 34%
Wood	—	12	— 4%
Electricity	—	7	— 2%
Kerosene	—	151	— 50%

14. Annual heating costs
 1984 — \$100 — \$1,000 \$300 — \$600
 1983 — \$100 — \$1,000 \$300 — \$600 Predominant
 1982 — \$100 — \$1,000 \$300 — \$600

15. Electricity costs — Winter — \$25 — \$100
 — Summer — \$15 — \$ 50

16. Property taxes
 1984 — \$43 — \$800
 1983 — \$40 — \$800
 1982 — \$40 — \$800

17. Monthly rent
 1984 — \$35 — \$125 +
 1983 — \$25 — \$115 +
 1982 — \$35 — \$123

18. Weatherized — Yes — 204 — 70%
 — No — 79 — 26%

Who weatherized — Manufacturer — 104 — 34%
 — Community Action — 22 — 7%
 — Self — 72 — 24%
 — Other — 93 — 31%

Need more weatherization — Yes — 140 — 46%
 — No — 132 — 43%

19. Skirted — Yes — 289 — 95%
 — No — 6 — 2%

20. Age — Under 5 — 1 person — 35 — 12%
 — 2 — 10 — 3%
 — 3 — 3 — 1%

5 — 12 — 1 — 32 — 11%
 — 2 — 11 — 4%
 — 3 — 1 — .3%

13 — 17 — 1 — 20 — 7%
 — 2 — 7 — 2%
 — 3 — 1 — .3%

18 — 64 — 1 — 71 — 23%
 — 2 — 121 — 40%
 — 3 — 14 — 5%
 — 4 — 4 — 1%

APPENDIX C PUBLIC FORUM AND INVITED SPEAKERS

September 11, 1985 — Public Forum

Lon McClintock, Attorney, Vermont Legal Aid, Rutland

Patricia McRae, Park Resident, Pownal

Tom Heilmann, Attorney, Burlington, Represents the New England Manufactured Housing Association

Susan Sussman, Assistant Attorney General, Consumer Protection Division

David Atkins, Park Owner, Colchester

September 24, 1985 — Invited Speakers

Tom Heilmann, New England Manufactured Housing Association

Henry Ferry and Ed Gora, Tax Department

Terry McCaig, Department of Health

Tom Brisson, Vermont Housing Finance Agency

Don Robisky, Department of Water Resources

Mary Hooper, On-Site Sewage Program

October 1, 1985 — Invited Speakers

Susan Sussman, Attorney General Office

Robert Kaphan, Vermont Industrial Development Authority

Paul Esswein & Karen Mayer, Department of Housing and Community Affairs

Walter Benoit, Vermont Federal Bank

Steve Jeffrey, Vermont League of Cities and Towns

Neil Pendergast, Latham Trailer Sales, Inc.

Stuart Bennett, Cubb Properties

Burt McIntire, Farmers Home Administration

APPENDIX D

STATE AND FEDERAL RESOURCES FOR FINANCING AND DEVELOPMENT

Department of Housing and Urban Development Housing Programs

These include:

- Section 8 Moderate Rehabilitation and Section 8 New Construction/Substantial Rehabilitation;
- Section 202 Rental Housing for the Elderly and Handicapped;
- Section 312 Rehabilitation Loans; and
- Housing Development Grants.

Department of Housing and Urban Development
275 Chestnut Street
Manchester, New Hampshire 03103
(Phone: 603-666-7459)

Farmers Home Administration Housing Programs

These include:

- Section 502, Rural Housing Development Direct and Guaranteed Loans (ownership);
- Section 515, Rural Housing Development Direct Loans for Rental and Cooperative New Construction and Substantial Rehabilitation;
- Section 504, Home Repair Loans;
- Section 523, Self-help Homeownership Program; and,
- Housing Preservation Grants, grants made to state and local governments and to nonprofit organizations for housing rehabilitation.

Farmers Home Administration
141 Main Street
Montpelier, Vermont 05602
(Phone: 223-2371)

Vermont Community Development Program

Municipalities may apply for funds to undertake activities that will improve housing, employment opportunities, and public facilities or services in support of housing or economic development, primarily to benefit lower income Vermonters. Funds are also available to assess needs, propose strategies, develop organizational capacity, and prepare for implementation.

Department of Housing and Community Affairs
Pavilion Office Building
109 State Street
Montpelier, Vermont 05602
(Phone: 828-3217)

Vermont Home Mortgage Guarantee Board

Provides low cost mortgage insurance on residential and energy conservation loans.

Vermont Home Mortgage Guarantee Board
1 Burlington Square, P.O. Box 5419
Burlington, Vermont 05402
(Phone: 862-0670)

Vermont Housing and Conservation Trust Fund

Administered by the Vermont Housing and Conservation Trust Fund Board, supports the dual goals of creating affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, historic properties, important natural areas, and recreational lands. The Board provides funding in the form of grants or loans for eligible activities. Eligible applicants include municipalities, departments of state government [as defined in 10 VSA 6302(a)], and qualifying nonprofit and housing cooperative organizations.

Vermont Housing and Conservation Trust Fund
149 State Street
Montpelier, Vermont 05602
(Phone: 828-3250)

Vermont Housing Finance Agency

Provides home mortgage financing for eligible Vermonters of modest income.

Vermont Housing Finance Agency
P.O. Box 408
Burlington, Vermont 05402
(Phone: 864-5743 or toll free in Vermont 1-800-222-VHFA)

APPENDIX E

1. Mobile Home Lot Rent Survey — 1987

Conducted by the Vermont State Housing Authority. Only the larger mobile home parks were surveyed so this is not a representative sample of all of Vermont's parks.

COUNTY	TOWN	PARK NAME	# LOTS	LOT RENT/ MONTH
Addison	Middlebury	Lyndale Park	67	\$115
	Vergennes	Town & Country	73	110
	Bristol	Kilbourn Trailer Park	45	60
	Waltham	High Manor Trailer Park	22	90
Bennington	Pownal	Royal Pine Villa Mobile	66	125
	Home Court			
	Pownal Ctr.	Cozy Meadow	42	95/105
	Bennington	Unabella Mobile Home Court (Rt. 9 West)	40	110
	Bennington	Unabella Mobile Home Court (Gore Road)	45	110
	Bennington Bennington	100 Mt. View Park #1 100 Mt. View Park #2	59 50	110 125/150
Caledonia	St. J Ctr.	Green Lantern Trailer Park	54	85
	W. Barnet	Francis Roy Trailer Park*	62	70
	Lyndon	Pinhurst/Dean Parker Trailer Park	40	65
	Hardwick	Evergreen Manors	38	120
	Lyndonville	NEK Mobile Homes	60	65
Chittenden	Colchester	Breezy Acres Trailer Park	192	120
	Colchester	Westbury Mobile Home Park	239	160
	Milton	Bert's Mobile Homes Park and Sales	100	110
	Williston	Williston Woods	116	140
	Bolton	Fernwood Manor	78	100
Essex	Canaan	Canaan Trailer Park	18	60
Franklin	Swanton	Homestead Acres	30	120
	St. Albans	Prior Trailer Park	31	115
	Swanton	Joyville Trailer Park	18	110
Grand Isle	Alburg	Bruley Trailer Park*	25	50
	Alburg	Blair Trailer Park	8	80
	No. Hero	Anderson's*	35	88
Lamoille	Johnson	Mt. View Mobile Home Park	30	75/80
	Johnson	Wescom Trailer Park	38	95
Orange	Williamstown	Limehurst Park	33	125
	Randolph Ctr.	Armstrong Trailer Park	16	90
	Braintree	Mobile Acres	96	75
Orleans	Derby	Derby Mobile Home Trailer Park	101	100
	Barton	LeBlanc's Mobile Home Park	28	50
Rutland	N. Clarendon	Coburn's Mobile Home Park	50	80
	Castleton	Fort Warren Trailer Park	46	100
	Fair Haven	Reed's Mobile Home park	18	95

Washington	Berlin	Berlin Mobile Home Park	30	150
	Northfield Falls	Northfield Falls Mobile Home Park	51	150
	So. Barre	Pleasant View Mobile Home Park	17	115
	Waterbury	Kneeland Flats Mobile Home Park	67	105
	Berlin	Weston's Mobile Home Court	82	85
Windham	Brattleboro	Black Mt. Mobile Home Park	29	145
	Wilmington	Cross Country Trailer Park*	35	60
	Brattleboro	Glenn Trailer Park	33	135
	W. Brattleboro	Mountain Homes, Inc.	270	165
Windsor	Wilder	Seery	41	115
	Hartford	Tall Timbers Mobile	105	177

* Seasonal parks but with mostly permanent homes.

II. Mobile Home Park Lot Rent Increases — 1987

Informally conducted by Commission members.

Commission members conducted an informal survey of lot rent increases in central and northwestern Vermont parks. Of 19 parks surveyed, 4 had raised their rents within the last year. One park had been sold three times in one year with an accompanying cumulative increase of \$40, going from \$125-\$165. In another park, the rent had been raised yearly over the last three years in \$25-\$30 increments, going from \$90-\$180. Two others had raised rents \$5 or \$10 a month to cover increased water costs. Even this informal check shows the vulnerability of mobile home owners in parks in terms of rent increases.