

Promoting Affordable Mobile And Manufactured Housing Opportunities In Vermont



**Final Report of the Advisory Commission
on Mobile and Manufactured Housing to the
Governor and General Assembly**

June 1992

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THE ADVISORY COMMISSION MEMBERS

- Alex Scherr** Commission Co-chair; Project Director, Vermont Legal Aid
- Stephen Unsworth** Commission Co-chair; Attorney, Hill, Unsworth and Myers; Mobile Home Park Owner
- Charles Clark, Jr** District Sales Representative, Huntington Homes
- Kirby Dunn** Mobile Home Cooperative Developer, Champlain Valley Office of Economic Opportunity
- Jan Eastman** Secretary, Agency of Natural Resources
- Kathi Michaud** Broker, American Mobilehome Brokers; President, Highland Mortgage Group; Mobile Home Park Owner
- Bert Moffatt** Town Manager, Williston
- Larry Osgood** Resident, Westbury Mobile Home Park; Board Member, Mobile Home Owners Association
- Richard Williams** Executive Director, Vermont State Housing Authority; Nonprofit Mobile Home Park Owner and Developer, Housing Foundation, Inc.

*Top Row: left to right:
Richard Williams, Barry
Breslen.*

*Bottom Row: Jill Milazzo,
Larry Osgood, Charles Clark,
Kathi Michaud, Kirby
Dunn, Stephen Unsworth
and Alex Scherr.*



*Advisory
Commission
Members at
Skyline Plant,
Fair Haven,
VT.*

Photo by Andrea Scarborough

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OVERVIEW OF ADVISORY COMMISSION'S WORK AND SUMMARY OF RECOMMENDATIONS

The 1990 Vermont Legislature amended Title 10, Chapter 153, Section 6202, to provide for the establishment of the Advisory Commission on Mobile and Manufactured Housing. The Commission consists of nine members appointed by the Governor to serve September, 1990 to September, 1992. Members represent mobile home park residents; mobile home park owners; affordable housing advocates; nonprofit developers; persons knowledgeable about the manufacturing, financing, and permitting of new mobile home parks; and state and local officials.

SCOPE OF REVIEW

The Commission submitted an Interim Report of findings and recommendations regarding the conversion of mobile home parks into condominium communities to the Governor and Legislature in the Spring of 1991.

The Legislature charged the Commission with preparing a Final Report to the Governor and Legislature to include findings and recommendations regarding:

- *the permitting process for the development of new mobile home parks;*
- *the market forces affecting the development of new mobile home parks;*
- *the market forces affecting existing mobile and manufactured housing; including the cost of purchasing a mobile home, the availability of financing, and the cost of lot rent;*
- *the enforceability of lease terms and the impact of state laws, municipal controls, and state and local policies on existing mobile home parks; and*
- *the frequency and causes of mobile home park closures and the impact on the parties affected.*

This final report includes a summary of the Commission's findings and recommendations with respect to the development of mobile home parks, expansion of existing mobile home parks, rehabilitation of mobile home parks, as well as affordability of mobile and manufactured housing. It concludes with suggestions for further study.

From the fall of 1990 through the fall of 1991, the Commission heard extensive testimony from state agency personnel, district environmental commissioners, real estate appraisers, private and public engineers, private and nonprofit developers, and local officials regarding the development of mobile home parks, expansion and rehabilitation of existing communities, and mobile and manufactured home financing issues.

A list of the individuals who testified before the Commission is provided in Appendix A. The Commission met at least every three weeks at locations throughout the state including Huntington Homes manufactured housing plant in East Montpelier, Skyline Corporation, a mobile home plant in Fair Haven, Williston Woods Mobile Home Park in Williston, and the Vermont State Housing Authority and Department of Housing and Community Affairs both in Montpelier.

MEMBERS OF THE ADVISORY COMMISSION

Members of the Advisory Commission on Mobile and Manufactured Housing have brought to their work a broad range of experience and viewpoints on mobile and manufactured housing issues.

Alex Scherr, as an attorney with Vermont Legal Aid, has represented mobile home park residents and has worked in the Vermont Legislature on legislation regarding mobile home park sales to residents and landlord/tenant issues.

Stephen Unsworth is an attorney with the firm of Hill, Unsworth and Myers where he specializes in business and landlord/tenant law. Attorney Unsworth is also involved in the ownership, management, and development of mobile home parks and is a member of the Vermont Manufactured Housing Association, Inc.

Charles Clark, Jr. has worked in the modular home industry with Huntington Homes in Vermont for six years. He is the owner of Countryside Realty in Williamstown, Vermont, and has an active interest in, and knowledge of, off-site manufactured housing.

Kirby Dunn has been the organizer for residents in six mobile home parks that were successfully purchased by nonprofit developers on behalf of the residents residing in each park. Kirby is also the facilitator for the Affordable Housing Coalition and has extensive legislative experience with respect to mobile home park issues.

Jan Eastman, Secretary of the Agency of Natural Resources, previously served as a member and acting chair of the State Environmental Board, as well as legal counsel to the Department of Housing and Community Affairs. When Jan was not able to attend Advisory Commission meetings, she was represented by Stephen Sease and Bernard Johnson of the Agency of Natural Resources.

Kathi Michaud, owner of Lindale Mobile Home Park, is also a mobile home broker, and lender. Kathi is founder and President of Highland Mortgage Group, Limited which provides financing exclusively for mobile homes. She has also worked for two banks handling primarily mobile home loans. Kathi is a member of the Vermont Manufactured Housing Association, Inc.

Bert Moffatt, Town Manager of Williston, has assisted private and nonprofit developers in the rehabilitation and creation of mobile home parks in Vermont and New Hampshire. In addition, he has worked with mobile home park residents' groups in Vermont on a variety of issues.

Larry Osgood, a mobile home park resident since 1959, is currently a resident of Westbury Park. He was formerly on the Board of the Kellogg Woods Homeowners Association in Westbury and is currently an Officer of the Mobile Home Owners Association. Larry covers the State to educate Vermonters on issues involving mobile home park living for residents.

Richard Williams is Board member of Housing Foundation, Inc. (HFI), a nonprofit subsidiary of the Vermont State Housing Authority, which has purchased seven mobile home parks on behalf of residents in Vermont during the last three and a half years. HFI has also worked on development of a mobile home park in Brattleboro and conducted substantial rehabilitation on the parks it has purchased.



SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Although the Commission found that mobile and manufactured housing is cost effective, serves mixed income communities, and provides desirable housing, very few mobile and manufactured housing communities have been expanded, developed, or upgraded in recent years. **Through discussion and testimony, the Commission identified State Regulatory Barriers, Local Permitting and Biases, Costs of Development, Financing and Taxation Practices, and the Political Climate as factors preventing expansion of opportunities in mobile home park living in Vermont.** This report outlines the issues defined by the Commission and provides its recommendations for addressing these issues.

ACT 250

With respect to the Act 250 process, the Commission identifies the complexity of the process as a major issue impacting the affordability of mobile and manufactured housing communities. The system provides many opportunities for costly delays which highlights the need for greater consistency and predictability.

The Commission's recommendations include:

- allowing for local reviews to carry more weight to streamline the process and reduce delay;
- creation of ombudsmen positions within the State to work with developers and to serve in a mediating role to resolve conflicts between and among developers and regulators;
- efforts to strengthen communication among District Environmental Commissions to provide for greater consistency in decision making;
- addition of "affordable housing" as an eleventh criterion to be weighed when considering a development; and
- increased efforts at conflict resolution throughout the process.

Definitions

The following terms appear throughout the report:

manufactured home: can be either a mobile home or a modular home.

manufactured housing community: either a mobile home park or a manufactured housing subdivision

manufactured housing subdivision: a subdivision of individually owned lots or a planned unit development on which mobile homes or modular homes are placed. The home owner owns, rather than rents the space on which the home is sited.

mobile home: a prefabricated dwelling unit, designed to be moved on wheels in whole or sections, which is ready for occupancy after placement on a slab or foundation and hookup to utilities, with minimal further assembly.

mobile home park: the Vermont statute defines a mobile home park as "any parcel of land under single or common ownership or control which contains, or is designed to accommodate, more than two mobile homes..."

Within this report, a mobile home park is distinguished from a "manufactured housing subdivision" as a single parcel under common ownership. A mobile home park may be owned by a single individual who leases lots to mobile home owners, by a condominium association, or by a housing cooperative.

"park" or "community": refers to a mobile home park.

STATE PERMITTING FOR NEW PARKS AND EXPANSIONS OF EXISTING PARKS

Through testimony, the Commission heard that developers of affordable housing, including mobile home parks, face confusion from multiple overlapping jurisdictions. In addition, rules are rigid and outdated and required testing is often excessive, time-consuming, and costly. Expansion of existing mobile home parks that were initially developed before regulations were in place triggers the requirement to bring the entire park into compliance, which may prevent efforts to expand.

The Commission recommends:

- that State agencies work to better coordinate efforts and share information with respect to the process and each project to reduce confusion;
- encouraging the use of State ombudsmen to assist developers with permitting;
- periodic review of regulations, seeking input from developers;
- repeal of the portions of the mobile home park law that require the Department of Environmental Conservation to review site criteria since this is already done at the local level; and
- that regulators be more flexible with requirements to upgrade existing portions of parks so that the project is economically feasible.

REHABILITATION

Major issues discussed by the Commission included that many parks seeking to upgrade are faced with rigid strict compliance with regulations, rather than reasonable requirements that take the limitations of the site into consideration.

The Commission recommends:

- that the State make a comprehensive coordinated effort to address the major problem of substandard mobile home parks in Vermont;
- that State agencies come together to address this issue with data and funding; and
- use of performance criteria, rather than strict compliance with regulations, for rehabilitation projects.

ENFORCEMENT OF REGULATIONS

Testimony to the Advisory Commission indicated that enforcement is inconsistent, inflexible, and not widespread. Enforcement is often triggered when an owner seeks to improve a mobile home park, which discourages preventative maintenance, or is triggered when a nonprofit organization seeks public funding to purchase a mobile home park.

The Commission recommends:

- that resources for the Agency of Natural Resources be enhanced to address some of these issues;
- that a more flexible, cooperative, problem-solving approach by regulators be encouraged;

- that data in the form of a comprehensive inventory of mobile home parks be collected and compiled; and
- that resources be developed for nonprofit and public owners of mobile home parks to facilitate improvement of park conditions.

LOCAL ISSUES

The Commission learned that local bias exists in the review of applications for mobile home park projects because of a variety of misconceptions. In general, the Commission heard that many municipal officials fear that mobile home parks are a burden on towns, requiring more in services while bringing in fewer tax dollars. In addition, the perception exists that mobile home parks are health hazards and eyesores. The facts presented demonstrated to the Commission that many of these misconceptions are unfounded.

The Commission recommends:

- a number of proposals aimed at promoting the positive aspects of mobile home park living to local officials and the public; and
- that localities be encouraged to facilitate the development of mobile home parks by employing mechanisms such as property tax reform and allocation of infrastructure capacity.

AFFORDABILITY OF MOBILE HOME PARKS

The testimony before the Commission indicated that mobile home parks are costly to develop, which could result in above market-rate lot rents for new residents. A significant portion of the costs can be attributed to the State and local permitting processes. The Commission recommendations listed above are aimed at alleviating some of those pressures.

In addition, the Commission recommends:

- that the State take the lead to develop resources to make new mobile home park living more affordable, including donating State land, setting up a revolving loan fund for private and nonprofit developers, and developing rental subsidy resources for mobile home park residents;
- that municipalities assist by including mobile home parks in their town plans, by allocating sewer capacity, through waiver of fees, and through tax incentives.



AFFORDABILITY OF MOBILE HOMES

The Commission heard testimony that mobile homes are financed at higher rates, for shorter terms than stick-built housing. Moreover, mobile homes are treated as personal property for financing purposes and real property for taxing purposes.

The Commission recommends:

- that financiers be encouraged to develop more favorable financing for mobile homes, which should be treated as real estate rather than personal property;
- reform of taxation practices in municipalities, and
- promotion of an educational campaign geared toward lenders and municipalities to demonstrate the stability and reliability of mobile home park residents as mortgagees and taxpayers.

POLITICAL CLIMATE

The Commission noted that political divisiveness around landlord/tenant issues has also served as an obstacle to development of affordable mobile home park opportunities.

The Commission recommends:

- a variety of joint ventures between mobile home residents and mobile home park owners, and
- the continuation of a group or forum like the Advisory Commission to follow-through on many of these recommendations and to foster understanding and cooperation on the problems that affect the development and improvement of affordable mobile home park living opportunities.



INTRODUCTION AND BACKGROUND

MOBILE HOME PARK POLICY IN VERMONT

The State of Vermont has assumed an active role in efforts to preserve mobile home park lots and their affordability in recent years. An Advisory Commission on Mobile and Manufactured Housing was established by the Legislature in 1987 and reauthorized as this Commission in 1990. Extensive legislation was enacted by the Vermont Legislature in 1988 and 1990 to address many mobile home park issues.

While many of the measures taken thus far have increased the security of persons living in mobile home parks to a limited extent, there are a number of factors that threaten the affordability, habitability, and existence of mobile home parks which

remain to be addressed. A significant proportion of the mobile home parks in Vermont may be substandard with respect to the quality of their water, septic, and electrical systems. Many were built before comprehensive environmental regulations were in place.

Mobile home park living is a unique form of housing where residents are both home owners (of the mobile home) and renters (of the lot).

The Advisory Commission on Mobile and Manufactured Housing as a whole strongly supports the creation and preservation of mobile homes, mobile home parks, and manufactured housing subdivisions as critical and substantial sources of affordable housing in Vermont. In recent years, the State of Vermont has recognized mobile home park living as a significant source of affordable housing for households with lower and often fixed incomes that is at risk of becoming unaffordable and less habitable for a variety of reasons.

Mobile home park living is a unique form of housing where residents are both home owners (of the mobile home) and renters (of the lot). In Vermont, there are usually few vacant lots available at any one time, and few parks have been developed or expanded over the past decade.

According to 1990 Census data, there are 18,664 mobile homes in Vermont, about ten percent of all housing units in the State. A total of 15,338 mobile homes are occupied by their owners (82% of all mobile homes) and 3,326 mobile homes are rented. A total of 46,952 people live in mobile home parks in Vermont. There are 221 mobile home parks of five or more units in Vermont according to the Vermont State Housing Authority's 1991 Directory of Mobile Home Parks.

In Vermont, there are:

- 18,664 mobile homes
- 15,338 mobile homes occupied by the homeowners
- 3,326 mobile homes occupied by renters
- 46,952 people living in mobile home parks
- 221 mobile home parks of five or more units

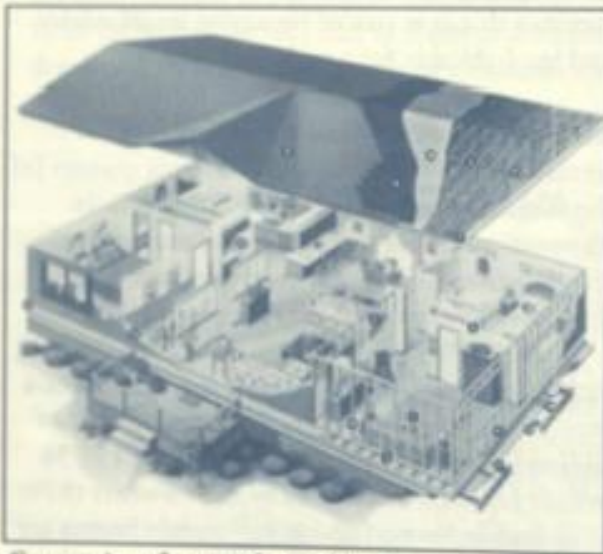
.....

10% of all housing units in the State are mobile homes

BENEFITS OF MOBILE AND MANUFACTURED HOUSING

The Commission found that mobile home park residents prefer mobile homes to other forms of housing. Mobile home park living provides an affordable form of home ownership for many people priced out of the market of more traditional forms of housing. It also presents a potentially solid market for developers and lenders who might invest in mobile homes and parks. Mobile home loans are among the most reliable and stable forms of loans in a bank's portfolio. [1]

Mobile and manufactured housing can bridge the gap between renting and home ownership by offering the homeowner an investment that can appreciate in value and provide pride of ownership. A manufactured home may build equity for the owner and enable a move to more traditional housing if the owner chooses. Mobile and manufactured housing provides interest and tax deductions to those with incomes to support deductions while rented sites provide renter's rebates to many others.



Cross-section of a manufactured home.

Given these benefits, the Commission sought to examine the means by which the State, nonprofit organizations, and private industry can work with resident groups, to promote the creation of new parks and new lots in existing parks, under rental, condominium, or cooperative ownership. The Commission also set out to develop recommendations to protect the interests of investors and residents in existing parks through substantial rehabilitation, where needed.

Mobile and manufactured housing may also provide many advantages to the ever-increasing population of senior citizens, through independent living, lower maintenance costs, economical heating costs, lower taxes, as well as pride of ownership. In addition, mobile home parks provide seniors with the security of a community.

Common management of infrastructure can also represent significant savings . . .

Off-site manufactured housing can be substantially less expensive than stick-built housing, making it an important source of affordable housing. The Commission received testimony that cost savings for the purchase of a mobile home, over a stick-built house, can be as much as 50%, and averages approximately 20%. [2] Common management of infrastructure can also represent significant savings over single family management.

Experts testified that mobile and manufactured housing is built to higher Federal standards than conventional stick-built housing. Construction of mobile and manufactured housing is based on "state of the art" codes for plumbing, electrical, and safety standards. These codes are continually updated and reviewed, and all homes are subject to an independent third party inspection. [3] Mobile homes are mass-produced under controlled conditions year-round. Indeed, Vermont has two manufacturers, Skyline Corporation in Fair Haven and Huntington Homes, in East Montpelier.

MAJOR ISSUES ADDRESSED

The Commission found that despite the overwhelming advantages of mobile and manufactured housing, new mobile home parks are not being developed and existing parks are not widely supported. Through discussion and testimony, the Commission learned that there exists prejudice against mobile and manufactured housing, and the development and preservation of mobile home parks is in crisis for a number of reasons.

IMPACT OF STATE PROCESSES

Development Costs Related to Regulation

- The Commission heard testimony that the costs to develop a mobile home lot within a mobile home park would average between \$30,000 and \$32,000 per lot. [4]
- Of that, \$5,000 to \$10,000 may represent costs associated with complying with the permitting process.
- While in a higher-end house the permitting costs may be 5% or less of the total costs, in an affordable housing unit the permitting costs can represent up to one-third of the total costs. [5]

Impact of Development Costs on Lot Rents in New Parks

- In the context of a newly built mobile home park, the Commission heard testimony from developers, appraisers, and engineers that the costs associated with construction could result in lot rents of approximately \$350 per month.
- A lot rent of \$350 is well above the amount currently charged in existing mobile home parks.
- Such lot rents in new mobile home parks, when combined with the cost of acquiring the mobile home, could result in total housing costs that approach the costs of an existing stick-built house. (A new mobile home on a newly developed lot would probably be more affordable than a newly constructed stick-built home.)

Necessary Rehabilitation Could Threaten Affordability

- The costs associated with bringing existing mobile home parks into compliance with current environmental, health, and safety regulations could create significant pressure to increase lot rents. The market for affordable housing can only bear rental increases, for just so long before displacement of very low income residents could occur.
- State regulations often prevent expansion of existing parks without achieving complete compliance with current environmental standards for the entire park, not just the expansion. Such a requirement renders development of new lots in existing parks extremely difficult, if not impossible.

- The Commission makes no finding about the degree to which owners of existing parks are in fact bringing their parks into compliance, and acknowledges that mobile home park living as affordable housing could be threatened by requiring rehabilitation to bring parks up to code. However, it does not support leaving mobile home parks in substandard conditions.

LOCAL ISSUES

- While, existing planning and development law in Vermont does not exclude the development of mobile home parks, it creates no incentive for towns to encourage, or even permit, such parks.
- Many local communities demonstrate biases against affordable housing in general, and particularly mobile home parks. Vehicles for such prejudice appear in many different forms including density zoning, increased procedural requirements and implicit or explicit political opposition.

Much of this opposition results from stereotypes about mobile home parks which are sometimes justified by specific, isolated examples.

- Much of this opposition results from stereotypes about mobile home parks which are sometimes justified by specific, isolated examples. Efforts to clean up those examples may persuade some people away from bias, but the underlying myths against mobile home parks represent a significant barrier to the creation of new lots.

AFFORDABILITY OF MOBILE HOME PARK DEVELOPMENT AND MOBILE HOMES

Park Development

- Financing realities also pose a barrier to the creation of lots. A developer of a new lot has to bear the costs of the lot until that lot is rented.
- Moreover, some private lenders have exhibited bias against mobile home park projects for reasons often unrelated to the actual financial risk involved.
- The perception of the instability of investments in mobile home parks by lenders, particularly in the current market, contributes to significant restriction on development.

Affordability of Mobile Homes Due to Financing and Taxation Practices

- The Commission heard testimony from some bankers that mobile home loans represent stable and secure elements of their portfolios. Yet financing for mobile homes in mobile home parks is less favorable than financing for stick-built housing, making mobile home living less affordable.

Indeed, mobile homes are treated as personal property for financing purposes, but as real estate for taxing purposes, leading to conflicting pressures on the cost of purchasing and maintaining the home.

- Mobile homes are financed at higher rates, for shorter terms, with a higher down payment; moreover, such loans cannot be sold on the secondary market.
- In addition, mobile home owners may pay a higher percentage of the value of their home in property taxes, particularly if the mobile home reflects a site premium.
- Indeed, mobile homes are treated as personal property for financing purposes, but as real estate for taxing purposes, leading to conflicting pressure on the cost of purchasing and maintaining the home.

POLITICAL CLIMATE

- In recent years, public debate has focused on highly charged emotional issues, rather than on broader policy concerns around the future viability of mobile home park living.
- The Commission recognizes that the intensity of the debate often represents legitimate and strongly held differences of opinions and values, particularly in landlord/tenant and seller/resident disputes. However, the Commission believes that the intensity of those debates has clouded the wide areas of common interest between residents and developers, obscuring unified approaches to the pressures against development.
- Moreover, negative political debate creates a powerful negative impression of mobile home park living in the eyes of residents, lenders and lawmakers.



Photograph provided by New England Manufactured Housing Association

Chapter 1.

IMPACT OF STATE PERMITTING PROCESSES ON THE DEVELOPMENT, EXPANSION AND REHABILITATION OF MOBILE HOME PARKS

While the Commission as a whole supports good planning and development law, a cumbersome regulatory process has a great impact on a developer's ability to create affordable housing, including mobile home parks and manufactured housing subdivisions. The Advisory Commission heard conflicting testimony from regulators and developers on the issues of Act 250, State permitting and State enforcement with respect to regulation of mobile home parks. The following issues led to the recommendations of the Advisory Commission. For an overview of the State permitting process and applicable laws and regulations regarding mobile home parks, please refer to Appendix B.

* * * * *

1.1 ACT 250 ISSUES RELATING TO THE DEVELOPMENT OF MOBILE HOME PARKS

ACT 250 ISSUES IDENTIFIED

Opportunities for Delay

There are many opportunities throughout the Act 250 process for costly delays that may undermine affordable housing projects such as a manufactured housing subdivision or a mobile home park. Ten criteria and multiple subcriteria must be addressed and satisfied in order for a project to go forward. The criteria are not prioritized and a project can get delayed, or even denied, on any one of them.

The process allows for broad participation by granting party status to many individuals and groups who may be affected by a project. This may provide many opportunities for delay of the process and may make approval more difficult.

Unpredictable Process

A proposal must be reviewed at the local and state levels through multiple agencies. Jurisdictional disputes over conflicting interests and differing interpretations can ensue. The process is not predictable; as a result, developers cannot anticipate their prospects for approval. Decisions on similar issues vary from District Commission to District Commission, and disagreements between regulators and District Commissions often arise.



RECOMMENDATIONS CONCERNING ACT 250

Minimize Opportunities for Delay and Streamline the Process

- The Commission recommends that the District Commissions be streamlined. Perhaps there could be greater efforts to promote common training and better communication between District Commissions to advance overall uniformity and predictability in affordable housing projects.
- **The Commission agrees that local officials should review projects and make decisions independent of District Commissions.** However, duplication of effort should be avoided. Where possible, hearings on projects that address similar testimony should be held simultaneously before both bodies that must approve the project.

While the Commission as a whole supports good planning and development law, a cumbersome regulatory process has a great impact on a developer's ability to create affordable housing

- **Testimony before the Commission indicated that expansive party status can slow the permitting process.** The Commission recommends that parties be required to enter appearances early in the process. This would foreclose the ability to contest late in the review process, which, in the Commission's view, can lead to unnecessary delay and unpredictability. In addition, the Commission recommends that some mechanism be implemented, perhaps sanctions, to deter frivolous appeals.
- **Parties should have access to accelerated review,** either through a magistrate system or through early access to the Superior Court judge designated to sit on environmental appeals.
- **A commission or inter-agency committee should be formed to examine methods of streamlining the progress of affordable housing projects through administrative approval, with a view to reducing overlapping jurisdictions and reducing the number of stages in the administrative process in which a project can be reviewed** (current practice can render development of affordable housing projects prohibitively expensive).
- **Affordable housing ombudsmen positions should be created** within the Department of Housing and Community Affairs and the permit specialist positions within the Agency of Natural Resources should be enhanced to lead developers of affordable housing projects, particularly those involving manufactured homes, through the administrative process. Such positions could also serve a mediating or conciliating role in the event of developer/reviewer conflict over the course of a project.

Provide for Greater Consistency and Predictability

- The Commission heard testimony that developers could not always determine how to respond to differences of opinion between the Agency of Natural Resources and the District Environmental Commission. Regulators should be as clear, specific and consistent as possible in their recommendations for changes to a particular project already in the course of regulatory approval.
- The Commission heard testimony that decisions of the various District Environmental Commissions were often inconsistent in their treatment of similar projects, leaving developers without reliable guidance in making sound decisions to invest in particular projects. The Commission encourages the

Agency of Natural Resources and the various District Environmental Commissions to work together to harmonize conflicting policies so as to generate a climate more conducive to affordable housing projects.

- The Commission heard testimony that District Environmental Commissions had on occasion disregarded favorable positions taken by qualified experts towards projects, leading to greater delay and uncertainty in the approval of projects. For example, in one case, a State expert testified that a proposed project would have no impact on deer yards; the District Commission rejected that position without any rebutting evidence. [6] The Commission recommends that the law be amended to accord positions taken by such experts greater weight and to require rebuttable evidence before rejecting those opinions.
- The Commission considered recommending that “affordable housing” be added to Act 250 as an eleventh criterion, as a means of highlighting and stressing the importance the Commission places on the principle. While testimony indicated that the political chances of such a proposal passing into law would be slight, the Commission encourages regulators to focus on the extent to which each proposed project would encourage the creation of affordable housing opportunities in Vermont.

Work on Conflict Resolution

- The Commission heard repeated testimony that disagreements between regulators and developers often turned into full-scale conflicts, when early and effective intervention might lead to more efficient resolution of disputes. More emphasis should be placed on alternative dispute mechanisms to resolve differences of opinion between developers and regulators. Indeed, the Commission recommends that some form of dispute resolution mechanism be encouraged early in the process when conflicts arise.
- In addition, the Commission recommends consideration of mechanisms, such as a settlement conference, to allow a judge designated for environmental matters to take an active role in shaping issues and encouraging settlement early in the administrative process.

More emphasis should be placed on alternative dispute mechanisms to resolve differences of opinion between developers and regulators

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1.2 STATE PERMITTING PROCESS IN THE DEVELOPMENT AND EXPANSION OF MOBILE HOME PARKS

ISSUES IDENTIFIED IN THE DEVELOPMENT AND EXPANSION OF MOBILE HOME PARKS

Overlapping Jurisdictions

The Commission heard substantial testimony that state regulatory and licensing agencies overlapped in their handling of licensing and oversight of mobile home parks. [7]

Rigid Rules

In some cases, the Vermont Environmental Protection Rules are rigid, outdated, and do not allow for creative solutions to development on particular sites. The Commission also heard testimony that the testing required to develop mobile home parks, while in some cases appropriate, could also impose substantial burdens unrelated to the actual purpose of the testing and prove costly and time-consuming.

Many mobile home parks exist whose compliance with regulations was grandfathered before the implementation of those rules. However, when such a project seeks to expand to create more lots, the entire park must also be upgraded, which may make the expansion financially infeasible.

RECOMMENDATIONS FOR THE DEVELOPMENT AND EXPANSION OF MOBILE HOME PARKS

Promote Inter-Agency Coordination

- As with Act 250 compliance, the Commission recommends increased coordination between State agencies with respect to specific proposals, for both sharing information and for training and problem-solving.
- The Commission urges the creation of an inter-agency committee to streamline the approval process with a vision similar to that described under Act 250 above.
- The Commission urges the creation of ombudsmen positions within the Department of Housing and Community Affairs and the Agency of Natural Resources with responsibilities identical to those already discussed under Act 250 above.



*Sterling View Mobile Home Park, Hyde Park, VT.
Photograph by Andrea Scarborough.*

Encourage Flexibility

- Systematic and periodic review of existing regulations should be encouraged, with input sought from private and non-profit developers.
- Permittees should review problems in the existing portions of parks seeking to expand to determine whether an approach that allows for substantial compliance with standards in grandfathered parks might produce results that would be financially or physically possible where strict compliance would not.
- Permittees should encourage a phased approach to the rehabilitation of grandfathered mobile home parks seeking to expand. Instead of requiring the entire development to be upgraded, permittees should focus on areas of greatest need and work with owners to develop a realistic plan for upgrading the balance of the park over time.

- The Commission recommends that review of site criteria be eliminated from the jurisdiction of the Agency of Natural Resources. 10 V.S.A. Sections 6232-6235 should be repealed. Site criteria are already reviewed at the local level and through the Act 250 process for mobile home parks of ten or more units. (Officials of the Agency of Natural Resources concurred with this recommendation in testimony before the Commission.)

1.3 STATE PERMITTING PROCESS IN THE REHABILITATION OF MOBILE HOME PARKS

ISSUES IN THE REHABILITATION OF MOBILE HOME PARKS

Rigid Approach

Many mobile home parks exist whose compliance with regulations was grandfathered from before the implementation of those rules. However, when such a project seeks to upgrade any portion of its system, the entire park must also be upgraded, which may make the rehabilitation financially infeasible and prevent needed repairs to a particular subsystem. The Commission heard testimony that insistence on strict compliance with standards in grandfathered mobile home parks often prevented correction of a problem, where a focus on substantial compliance would have resulted in an effective resolution of the problem.

RECOMMENDATIONS FOR THE REHABILITATION OF MOBILE HOME PARKS

Encourage Flexibility

- With respect to mobile home park expansions and rehabilitation, permitters should use performance criteria that encourage creative solutions to the resolution of particular problems. Permitters should be encouraged to offer solutions in addition to finding violations of the law.
- Permitters should encourage a phased approach to the rehabilitation of grandfathered mobile home parks seeking to improve. Instead of requiring the entire development to be upgraded, permitters should focus on areas of greatest need and work with owners to develop a realistic plan for upgrading the balance of the park over time.



With respect to mobile home park expansions and rehabilitation, permitters should use performance criteria that encourage creative solutions to the resolution of particular problems

1.4 STATE PERMITTING PROCESS IN THE ENFORCEMENT OF REGULATIONS AND CODES

ISSUES IN THE ENFORCEMENT OF REGULATIONS AND CODES:

Enforcement Is Inconsistent

The Commission found that the enforcement of environmental, safety, and health regulations is inconsistent. Frequently, a regulator becomes aware of problems when an owner seeks to upgrade a portion of the mobile home park, leaving less active, non-complying owners undisturbed. Without consistent enforcement of regulations, a substantial number of substandard mobile home parks exist. Lack of inspection, testing, and enforcement does not encourage preventative maintenance.

Residents of mobile home parks seeking to buy their communities under the provisions of Vermont law are at a disadvantage in these purchases, despite assistance from non-profit organizations and public funders.

The Commission also heard testimony that enforcement of regulations in mobile home parks varied from agency to agency, leading to a patch-work approach to ensuring that appropriate standards were applied. Mobile home park owners and residents have difficulty understanding which State agency is responsible for enforcement of particular regulations.

Enforcement Can Be Inflexible

The Commission heard testimony that enforcement (when it occurs) is inflexible and often unresponsive to the needs and limitations of a particular site.

Lack of Aggressive Enforcement Affects Potential Mobile Home Park Purchases

Residents of mobile home parks seeking to buy their communities under the provisions of Vermont law are at a disadvantage in these purchases, despite assistance from non-profit organizations and public funders. Public funding sources for such buy-outs require strict compliance with State regulations, whereas private owners with private funding might not have these standards attached to their financing.

RECOMMENDATIONS FOR THE ENFORCEMENT OF REGULATIONS AND CODES:

Enforcement Should Be Strengthened and Consistent

- State agencies should reaffirm their commitment to uniform enforcement of all State laws; the legislature should provide funding to ensure such enforcement of regulations. Specifically, the Commission recommends that more resources be allocated to the Agency of Natural Resources to accomplish this goal.

Regulators Should Employ a Flexible, Problem-Solving Approach

- At the same time, regulators should employ a problem-solving approach to enforcement of regulations. Rather than strict compliance, which may result in displacement of residents if an owner cannot afford the required upgrade, regulators should be encouraged to use a substantial compliance approach to existing mobile home parks. Strict compliance is often impossible with existing parks, leading to the necessity of closing down otherwise affordable lots. A substantial compliance approach could be combined with a phased approach to rehabilitation to ensure both the quality of the park and the continuance of affordable housing opportunities.
- Newer mobile home parks could appropriately be held to more stringent standards. However, even here, regulators should be encouraged to use a flexible approach so as to ensure that new opportunities for existing lots will not disappear.
- Whether reviewing new or existing mobile home parks, regulators should be encouraged to be proactive, working with owners to develop creative solutions to problems, rather than simply advising them of the strict requirements of the rules.
- The Commission recommends that overlapping jurisdictions be eliminated. Specifically, the Commission notes with approval the recent move of the Public Water Supply Program from the Department of Health to the Department of Environmental Conservation.

Enforcement Should be Comprehensive and Information on Park Conditions Should Be Available to Potential Buyers

- More information should be available to the public concerning park conditions. The Commission encourages prospective buyers of individual homes and parks to be aware of all potential problems within the park. The Commission recommends a system in which notice of any known violations of standards regarding water, sewer, and other health and safety problems be placed in town land records by the agencies with jurisdiction over those problems.
- The Commission recommends that the Department of Housing and Community Affairs coordinate an initial review of a park's compliance with existing permits at the point when the Department receives a notice of a proposed sale. Such a review would occur through consultation with the appropriate regulatory agencies. Results should be available to buyers and residents of the park to be sold.
- The State should assist in the development of alternative sources of funding for the rehabilitation of existing mobile home parks for both private and non-profit purchasers.
- The State needs to conduct a reliable, comprehensive inventory of all mobile home parks and the status of their compliance with State regulations. The results of the inventory should be maintained in a permanent database. The most recent State attempt to compile an inventory produced inadequate results, at least in part because it required voluntary compliance. The Legislature should ensure that adequate funding is made available for this purpose.

The State needs to conduct a reliable, comprehensive inventory of all mobile home parks and the status of their compliance with State regulations

Chapter 2.

LOCAL ISSUES WITH RESPECT TO THE DEVELOPMENT, EXPANSION, AND REHABILITATION OF MOBILE HOME PARKS

2.1 OVERVIEW OF LOCAL PLANNING AND ZONING LAW WITH RESPECT TO MOBILE HOME PARKS

Chapter 117 of Vermont Statutes, the Vermont Municipal and Regional Planning and Development Act, provides that no municipality may adopt zoning regulations that shall have the effect of excluding mobile and manufactured homes except on the terms and conditions that other housing is excluded. It further states that housing to meet the needs of the population may not be excluded through zoning; and that no local ordinance may prevent the establishment of a mobile home park (24 V.S.A. Section 4406(4)).

The law does not require towns specifically to provide for mobile home parks. If a local ordinance excludes a mobile home park in effect (by requiring two-acre zoning, for example), the ordinance could be challenged to determine if the town is providing housing to meet the needs of the population. According to testimony, developers have been reluctant to make legal challenges in cases where there appears to be zoning discrimination against mobile home parks because it can be a long and costly battle.

No municipality may adopt zoning regulations that shall have the effect of excluding mobile and manufactured homes except on the terms and conditions that other housing is excluded



*Fernwood Manor Mobile Home Park, Bolton, Vermont.
Photo by Andrea Scarborough*

Recommendation: The Commission recommends the following amendment to 24 V.S.A. Section 4406(4)(A): "Except as provided in section 4407(6) of this title, no zoning regulation shall have the effect of excluding mobile homes and mobile home parks, modular housing, or other forms of prefabricated housing from the municipality, except upon the same terms and conditions as conventional housing is excluded."

In practice, according to the testimony of mobile home park developers, the local permitting process varies from municipality to municipality. In many cases, mobile home parks are not well received by localities for a variety of reasons. Local officials and the public fear that mobile home parks bring in fewer tax dollars, yet require more in town services. Aesthetics, health, and safety problems which receive a disproportionate share of publicity, contribute to misconceptions about mobile home parks.

2.2 COMMON BIASES AGAINST MOBILE HOME PARKS

MOBILE HOME PARK RESIDENTS

Myth:

- Mobile home park residents have low-incomes, or are on welfare, have lots of children, and do not take care of their homes or the property.

Fact:

- Surveys of the income mix of mobile home park residents in a sample of communities show a wide variation in household incomes. Mobile homes are the housing of choice for many Vermonters. In fact, the number of children per mobile home household is less than in other types of housing. According to the 1990 Census, the average household size in mobile homes in Vermont is 2.5 persons.

Surveys of the income mix of mobile home park residents in a sample of communities show a wide variation in household incomes

AESTHETICS, HEALTH, AND SAFETY FACTORS

Myth:

- Mobile homes and mobile home parks are an inferior type of housing, because they are not well-made, are not aesthetically pleasing, and present safety and health hazards.

Fact:

- Aesthetic and habitability problems in existing mobile home parks are the result of past practices and lack of regulation. New laws and regulations do not allow for parks to be developed as they had been. Unfortunately, this increased regulation has also prevented many developers from earning a reasonable return on an investment in a new park. Regulation of the development and expansion of mobile home parks by state and local officials assures that these communities will be developed in a well-planned manner, thus avoiding some of the physical problems that haunt older mobile home parks.

BURDEN ON LOCAL SERVICES

Myth:

- Mobile home parks place a burden on local school systems and other local services such as police and generate less revenue in property taxes than other housing.

Fact:

- Mobile home parks are not a burden on schools; there are fewer children per household than in conventional housing. Mobile home owners pay property taxes on the home (the tax includes the value of the land) and mobile home park owners pay property taxes on the land. Affordable housing in general is not a burden on the local tax base compared to other housing according to a 1990 study by Ad Hoc Associates of Salisbury, Vermont, "Affordable Housing and Property Taxes."



2.3 RECOMMENDATIONS

EDUCATION TO ADDRESS MISCONCEPTIONS

- The Commission should promote an educational campaign geared toward municipal officials and the general public to address misconceptions about mobile home parks and manufactured housing communities, including:
 - Coordinating efforts with the Vermont League of Cities and Towns; and
 - Developing a model demonstration program in a visible location, possibly on land donated by the State, in exchange for affordability requirements. Creative design techniques should be promoted. This model could be a public-private-nonprofit effort and include mobile home park private and nonprofit developers, with assistance from State agencies, nonprofit housing advocates, and lenders.

ENFORCEMENT OF CODES AND REGULATIONS

- Repair existing mobile home parks and require that they are brought up to the best possible standards that the site will allow while not displacing residents.

ADDRESS DISCRIMINATION AND PROVIDE MECHANISMS TO ENCOURAGE LOCALITIES TO PROVIDE FOR DEVELOPMENT OF MOBILE HOME PARKS

- **Vermont should establish a state authority to override local barriers to affordable housing projects** similar to Massachusetts' "anti-snob zoning law." The goal of the law is to ensure that at least 10% of a municipality's housing stock is within the price range of low-income households. The means to accomplish this is to allow redress to builders who have been refused permits to construct locally unpopular types of housing if less than 10% of that town or region's housing stock is classified as affordable. The Massachusetts Housing Appeals Committee can override local permit refusals by issuing a comprehensive permit when evidence indicates that the 10% goal has not been achieved. In Vermont, an administrative means of review short of filing a lawsuit is needed.

The Commission should promote an educational campaign geared toward municipal officials and the general public to address misconceptions about mobile home parks and manufactured housing communities

- **The State should establish housing targets and fair share mechanisms assuring that all regions will develop their fair share of the State's need for affordable housing.** If a municipality or region does not meet its obligation, the State could withhold funding from a variety of sources.
- **Establish a neutral third-party conflict resolution and mediation process to resolve conflicts** between developers and local governments, and in some cases, neighbors.

- **The State should develop a uniform building code for manufactured housing** and not allow local review of the building providing it has certification that it meets state standards.
- **Municipalities could help develop local infrastructure to allow for affordable housing development and growth**, possibly requiring a certain percentage of allocation of these resources to go to affordable housing.
- **Give municipalities the option to take on State review standards to prevent duplicative reviews which are costly to developers.** For instance, the City of Burlington already reviews for Act 250 criteria in its review of subdivisions.
- **Property tax reform could have a substantial impact on local biases towards mobile home parks.** Localities view mobile homes and mobile home parks as a drain on the local tax structure, without any corresponding benefit in the form of high property values. The Commission asserts that that view is incorrect; however, the development of alternative sources of funds for towns could reduce municipalities' apprehensions. The Commission encourages the State to explore alternative sources of revenue for municipalities including expansion of their taxing authority, redistribution of property tax income and provision of direct assistance to the development of infrastructure for the development of affordable housing.



The Commission encourages the State to explore alternative sources of revenue for municipalities including expansion of their taxing authority, redistribution of property tax income and provision of direct assistance to the development of infrastructure for the development of affordable housing.



Chapter 3. AFFORDABILITY OF MOBILE HOMES, MOBILE HOME PARKS

3.1 DEVELOPMENT OF MOBILE HOME PARKS

Mobile home parks are costly to develop for a variety of reasons. The amount which can be attributed to state and local permitting is a significant factor. In addition, lot rents must be affordable to make them marketable. A developer of a new lot must bear the costs of the lot until it is rented. In some cases, the Commission heard that financing for park development may be more difficult to acquire. Lenders have exhibited reluctance to offer loans for reasons often unrelated to the actual financial risk involved.

ISSUES IDENTIFIED IN THE DEVELOPMENT OF MOBILE HOME PARKS

Costs Associated With the Permitting Process

- The Commission heard testimony that the cost to develop a mobile home lot within a park would average between \$30,000 and \$32,000 per lot. Of that, between \$5,000 and \$10,000 may represent costs associated with complying with the permitting process. [8] Housing Foundation Inc., a non-profit developer, has already spent over \$100,000 on permitting a proposed 40-unit park in Brattleboro (The project is served by municipal water and sewer and the development has not faced any local opposition). [9]

The Commission has concluded that costs associated with the permitting process appear to be the same for a higher-end house and an affordable housing unit. While in a higher-end house the permitting costs may be 5% or less of the total costs, with affordable housing the permitting costs can represent up to one third of the total cost. Presumably these costs are passed on to the consumer.

While in a higher-end house the permitting costs may be 5% or less of the total costs, with affordable housing the permitting costs can represent up to one third of the total cost

Impact on Lot Rents

The Commission heard testimony that lot rents in a newly developed mobile home park will need to be significantly higher than lot rents in existing mobile home parks to be profitable. The Commission heard from a number of people including developers, appraisers, and engineers that rents could be approximately \$350 per month. [10] The Commission has determined that such a lot rent is well above the amount currently charged for existing parks.

Such lot rents, when combined with the cost of acquiring the mobile home, could result in total housing costs that approach the costs of buying existing stick-built housing. While placing a new mobile home on a new lot would be significantly cheaper than purchasing new stick-built housing, the similarity between costs of existing stick-built and new mobile homes in new parks could significantly reduce the demand for space in new parks.

Reluctance to Invest in Park Development

The Commission also heard testimony that many developers interested in investing in housing projects have turned away from mobile home parks because they are unable to gain any return on their investment. Indeed, even developers committed to development of mobile home parks have withheld from investing for the same reason. [11]

RECOMMENDATIONS FOR THE DEVELOPMENT OF NEW MOBILE HOME PARKS

Increase Public Resources for Park Development

- The State should establish a revolving loan fund for private, public, and nonprofit development of new parks and rehabilitation of existing mobile home parks.
- The State and municipalities should set aside land for the development of mobile home parks that could be developed by private, nonprofit and/or public organizations.
- Municipalities can address the need for affordable housing and manufactured housing communities in town plans, through zoning, sewer allocation, waiver fees, and tax incentives.

Increase Public Resources for Lot Rents

- The State should seek expanded rental subsidy resources such as the HUD Section 8 program to assure that new mobile home park lots are affordable to low and moderate income Vermonters.

(See Appendix C for a list of public and private funding sources for affordable mobile and manufactured housing endeavors)

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3.2 FINANCING OF MOBILE HOMES

Mobile homes are sold and financed in Vermont under the motor vehicle act and treated as personal property with the exception of taxation issues where they are treated as real estate. Mobile homes are financed at higher rates, for shorter terms with a higher down payment, and the loans cannot be sold on the secondary market.

Typical financing terms range from 15 to 25 years, depending on the unpaid balance of the loan. Loan balances of \$25,000 or more are afforded longer repayment terms. Down payment requirements are a minimum of 10% of the purchase price for conventional bank financing with the balance financed. Since mobile homes are personal property for financing purposes, interest rates will typically be 2% to 3% higher than for more traditional forms of housing.

Mobile homes are financed at higher rates, for shorter terms with a higher down payment, and the loans cannot be sold on the secondary market

Lending guidelines vary from financial institution to financial institution; most lenders use a 36 to 40% gross income-to-expense ratio. Ratios are established

using gross income in relation to contractual monthly debt; utilities, insurance and child care expenses would not be included in the formula. However, mobile home payments, taxes, lot rent, and other contractual payments are considered. Lenders look for three criteria when granting credit: length of employment, ability to re-pay the loan, and past credit history.

In sum, lending criteria for mobile homes in parks are identical to those for more traditional housing. Banks' mobile home portfolios perform better than more traditional housing and the return on assets remains higher. Yet, despite current proposals by The Department of Housing and Urban Development (HUD), such mortgages cannot be sold on the secondary market, and thus must be kept in-house. Banks traditionally give in-house loans higher interest rates and shorter terms. The Commission thus encourages any effort to render mobile home loans saleable on the secondary market to provide for more favorable financing terms.

The Commission also notes that any sale of a mobile home that includes an interest in real property would be eligible for the terms available for real property loans. **Therefore, the Commission urges the adoption of laws that would clarify that residential mobile homes should be treated as real estate.**

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3.3 TAXATION

Mobile home owners in mobile home parks pay a higher percentage of the value of their home in property taxes if the assessment reflects a "site premium" (additional value based on its location in a park). **Mobile home owners pay taxes on the home, which includes the value of the land, and the mobile home park owners pay property taxes on the land. In addition, a mobile home sold off a dealer's lot and not affixed to a site is subject to sales and use tax because it is considered personal property.**

Present law requires that all property taxes due or assessed on a park-sited mobile home must be paid in their entirety when the home transfers ownership in any given year. This is the case regardless of when the tax year falls in any given municipality. The statute is written this way based on the theory that the mobile home can be moved from one town to another, leaving the municipality with little or no recourse to collect taxes due.

Mobile home owners in mobile home parks pay a higher percentage of the value of their home in property taxes if the assessment reflects a "site premium"

When a sale of a park-sited mobile home happens close to the assessment date of April 1st, buyers are faced not only with the up-front buying costs, down payment, closing costs, and property transfer tax, but also the additional burden of taxes for the entire year when the buyer has no intention of moving the home.

A **resolution** can perhaps be effected through education of the municipalities by working with the League of Cities and Towns to promote a change to this practice.

Chapter 4.

POLITICAL CONTEXT OF MOBILE AND MANUFACTURED HOUSING ISSUES

4.1 POLITICAL ENVIRONMENT

The testimony before the Commission, along with the personal experiences of the Commissioners, indicates that **the community of people interested in mobile home park issues has polarized over the years.** Currently, on any issue of significance to mobile home park owners or residents, organized, adversarial groups focus heated attention on any public forum, leading to a restricted ability to address creative, realistic solutions to problems. Legislation should not be based solely on passion or emotion, but also on a reasoned and thorough investigation of alternatives.

This divisiveness has affected the resolution of disputes in both the Legislature, past and current State Administrations, and in the Commission's own functioning. The same divisiveness can create a sense of insecurity over the law that can affect the willingness of lenders and developers to invest in mobile home parks and to create new lots. Particularly in a difficult economy, this can make already unpopular investments appear undesirable.

Efforts to negotiate accommodations and resolutions of difficult issues often flounder in the light of open public confrontation. The divisiveness of political and policy debate contributes to a negative

There exists little political or policy consensus around mobile home park issues, despite the fact that the areas of common concern among owners, residents, and regulators outnumber the areas of dispute. Moreover, there exists no forum, other than this Commission, in which owners and residents can identify common problems and common goals

public perception of mobile home parks as the public at large perceives residents, owners, and regulators to be intractable, difficult, and unwilling to compromise.

There exists little political or policy consensus around mobile home park issues, despite the fact that the areas of common concern among owners, residents, and regulators outnumber the areas of dispute. Moreover, there exists no

forum, other than this Commission, in which owners and residents can identify common problems and common goals.

Mobile home issues are consistently seen as a function of landlord/tenant dynamics, leading to a tendency to focus issues solely around owner versus renter dynamics. However, **threats to the existence of mobile home parks, as well as the bleak outlook for expanding the number of lots should create a sense of commonality, not of confrontation.**

Among the areas of common concern for residents, owners and public officials are:

- creating new mobile home parks and lots;
- resisting unfair taxation;
- reducing restrictions caused by regulation;
- creating safe, healthy, and marketable lots; and
- creating an effective return on investment for both owners of parks and owners of the mobile homes.

4.2 RECOMMENDATIONS: AREAS FOR OWNERS AND RESIDENTS TO WORK TOGETHER

EDUCATION AND POSITIVE PUBLICITY

- **The Commission recommends that greater effort go toward education of mobile home park residents and owners, as well as the public, as follows:**
 - Create pamphlets and develop training to increase awareness of the importance of mobile home living in Vermont and the obstacles faced in attempts to develop and rehabilitate mobile home parks;
 - Encourage more owner group activity directed toward reasonable regulation of health and safety issues;
 - Refocus efforts of both owner and tenant groups to look at problems in individual towns. Target localities for an education campaign directed toward improving public acceptance of mobile home parks;
 - Educate residents and owners on landlord/tenant issues so as to highlight protections and securities; and
 - Organize joint projects to educate lenders on the benefits of mobile home financing.
- **The Commission recommends an organized campaign of publicity designed to stress the positive benefits of mobile home park living.** Examples of successful communities should be highlighted, along with focused discussions of the myths of mobile home park living. Local meetings would be particularly effective to address the concerns of municipalities around mobile home park living.

JOINT VENTURES

- **The Commission encourages existing organizations of both owners and residents to engage in joint efforts designed to highlight their areas of overlapping concern.** These could include political campaigns around mobile home park issues, joint studies of contested issues, forums for the identification and discussion of areas of dispute so as to better shape issues for resolution by the legislature, or joint rule-making requests and other administrative action to encourage agencies to create additional programs or enhance existing services. For example, owners and residents could petition the Vermont State Housing Authority for the creation of a "Section 8" program for mobile home parks or the state regulatory agencies for more uniform and widespread enforcement of codes.
- **The Commission recommends that projects be developed to demonstrate the benefits of mobile home park living to the public at large.** Such projects could include the creation of a demonstration mobile home park as well as clean-up projects designed to improve the quality of life in particular communities.

CREATE ALTERNATIVE DISPUTE MECHANISMS

- The Commission recognizes that there will always be conflict within the context of owner/resident relations. Even here, however, the Commission encourages the creation of community dispute resolution mechanisms, such as mediation programs, in which parties could seek cooperative solutions to the problems that divide them.

ENCOURAGE DEVELOPMENT OF MORE RESOURCES TO PROMOTE AFFORDABLE MOBILE HOME PARK LIVING

- The Commission recommends that development of financial assistance for mobile home parks be more broadly focused. Such alternatives could include rent subsidies for low-income residents; loan assistance for private, public, and nonprofit developers; and programs (similar to the HUD Section 8 program) that would ensure market rents for owners and affordable rents for tenants. Broader development of these financial options could serve to draw together previously hostile elements in the mobile home community.

CREATE AN ONGOING FORUM TO WORK ON THESE ISSUES

- The Commission found itself in the position of being the only forum in which the competing interests in mobile home park living could meet and seek resolutions to their issues. The lack of a consistent forum has seriously hampered the ability of the political community to cope with the often-heated debate over mobile home park issues. The Commission recommends that some ongoing forum for discussion and resolution of the issues be created, either through the permanent continuation of the Commission, through a coalition of existing mobile home park interest groups, or through the creation of a focus group staffed by the Department of Housing and Community Affairs so that reasoned policy exploration can occur before the limitations of heated public debate set in.

The Commission recommends that some ongoing forum for discussion and resolution of the issues be created, either through the permanent continuation of the Commission, through a coalition of existing mobile home park interest groups, or through the creation of a focus group staffed by the Department of Housing and Community Affairs

CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER WORK

This report identifies a number of issues related to the viability of mobile home park and manufactured subdivision living as affordable housing options in Vermont. The Commission looked at many areas that affect the creation of new mobile home park opportunities and would enhance existing opportunities.

The areas explored, which impact the supply and quality of mobile home park lots and their affordability, included mobile home park development and rehabilitation, enforcement of health and safety regulations in mobile home parks, local barriers to mobile home park expansion, the affordability of mobile home park living, and the political divisiveness surrounding these issues. The Commission report also offers preliminary recommendations for addressing these issues.

The Commission makes recommendations for minimizing the barriers to mobile home park development and rehabilitation imposed by the current Act 250 and State permitting systems. It has also looked at ways to minimize the impact of local bias that can contribute to blocking development and expansion of mobile and manufactured housing communities. The Commission looked at financial practices that affect the affordability of mobile home park living. The report also analyzes the political climate surrounding mobile home park issues that can work against reasoned progress on resolution of many of the barriers to increasing mobile home park opportunities.

It is the belief of the Commissioners that many of the obstacles facing mobile home park development, rehabilitation, and favorable mobile home financing arise from misconceptions about this housing and lack of awareness of this particular affordable housing crisis

Throughout its recommendations, the Commission advocates for processes to enhance the appreciation of mobile and manufactured housing living among regulators, municipalities, financial institutions and the public at large. The Commission was created because mobile home park living is a significant, popular, affordable housing option in the State of Vermont. Through study, testimony, and discussion, the Commission confirmed that mobile homes constitute a large proportion of the State's housing stock, and are of high quality. Furthermore, many Vermonters choose to live in mobile home parks for a variety of reasons. The Commission also found that the availability and affordability of mobile home parks is at risk for the reasons stated above.

The tone throughout the Commission's report emphasizes education and cooperation. It is the belief of the Commissioners that many of the obstacles facing mobile home park development, rehabilitation, and favorable mobile home financing arise from misconceptions about this housing and lack of awareness of this particular affordable housing crisis.

One of the Commission's final recommendations is the creation of an ongoing body and process to follow through on these recommendations. The group to carry on this work should include a balance of interests and a variety of expertise to mirror the composition of the existing Advisory Commission. The following groups should be represented:

- mobile home park owners and developers;
- mobile home park residents and their advocates;
- persons with experience in mobile home financing and marketing ;
- local officials; and
- representatives of the state agencies involved in mobile home park issues (Department of Housing and Community Affairs, Agency of Natural Resources, Environmental Board, Department of Labor and Industry, Vermont State Housing Authority, Vermont Housing and Conservation Board, Vermont Housing Finance Agency).

The Commission recommends the Department of Housing and Community Affairs provide staff support to this ongoing body. The next "Commission" should work on refining and implementing these recommendations, as well as conducting further study and discussion on these and other issues. The State could benefit from further study into areas not covered by this report, including rent control, landlord/tenant issues, mobile home consumer issues, and the impact of mobile home park closures, among other issues.

ENDNOTES

1. Testimony of Walter Benoit of Vermont Federal Bank, Minutes of the November 8, 1990 meeting of the Advisory Commission on Mobile and Manufactured Housing.
2. Wallis, Allan, "No Place Like the Mobile Home", New York Times, July 28, 1991.
3. Ibid.
4. Testimony of David Atkins, Mobile Home Park Owner, Minutes of the July 30, 1991 and August 20, 1991 meetings of the Advisory Commission on Mobile and Manufactured Housing.
5. Testimony of David Atkins, Mobile Home Park Owner, Minutes of the July 30, 1991 and August 20, 1991 meetings of the Advisory Commission on Mobile and Manufactured Housing.
6. Testimony of Peter Boemig, Southern Vermont Engineering, Minutes of the June 18, 1991 meeting of the Advisory Commission on Mobile and Manufactured Housing.
7. Testimony of Peter Boemig, Southern Vermont Engineering, and Mike Momaney, I & Q Enterprises, minutes of the June 18, 1991 meeting of the Advisory Commission on Mobile and Manufactured Housing.
8. Testimony of David Atkins, Mobile Home Park Owner, Minutes of the July 30, 1991 and August 20, 1991 meetings of the Advisory Commission on Mobile and Manufactured Housing.
9. Testimony of Paul Dettman, Housing Foundation, Inc., Minutes of the June 18, 1991 meeting of the Advisory Commission on Mobile and Manufactured Housing.
10. Testimony of David Atkins, Mobile Home Park Owner, Minutes of the July 30, 1991 and August 20, 1991 meetings of the Advisory Commission on Mobile and Manufactured Housing.
11. Testimony of Martin Lavin, Mobile Home Park Developer, Minutes of June 18, 1991; and Testimony of Allan Hunt, Director, Vermont Housing Finance Agency, Minutes of the August 20, 1991 meeting of the Advisory Commission.

APPENDIX A.
INDIVIDUALS WHO TESTIFIED BEFORE THE COMMISSION

David Atkins, Owner, Westbury Mobile Home Park
Jim Ayotte, New England Manufactured Homes
Walter Benoit, Vermont Federal Bank
Peter Boemig, Southern Vermont Engineering
Michele Bottigi-Longe, Westbury Park, Kellogg Woods Residents Association
Richard Callahan, Appraiser
Lynn Delaire, Westbury Park and Kellogg Woods Residents Association
Will Giblin, Vermont State Housing Authority
Rick Hamlin, Donald L. Hamlin Consulting Engineers, Inc.
Robert Howe, Department of Labor and Industry
Allan Hunt, Vermont Housing Finance Agency
Glenn Jarrett, Vermont Housing Finance Agency
Roberta Kiehl, Budget Mobile Home Brokers
Roman Kokodyniak, Vermont Community Development Program
Winslow LaDue, Department of Health, Division of Water Supply Management
Martin Lavin, Mobile Home Park Owner and Developer
Doug Lawson, Owner, Williston Woods Mobile Home Park
Jim Libby, Vermont Housing and Conservation Board
Carl Lisman, Attorney
Michael Momaney, I & Q Enterprises
Jack Navin, Appraiser
Doris O'Connor, Westbury Park Resident
Joe Parkinson, Vermont Ski Areas Association
Diana Peduzzi, District Environmental Commission, Barre
Richard Phillips, DEC, Environmental Protection Enforcement Division
Barbara Ripley, Agency of Development and Community Affairs
Don Robisky, Agency of Natural Resources
Mark Schittina, Lawyers Title Insurance
Mark Severance, Summit Financial Center
Stuart Slote, Department of Public Service
Ken Stone, Lamoureux and Stone, Inc.
Larry Wood, Town Manager of Shelburne

APPENDIX B. STATE PERMITTING AGENCIES

The Advisory Commission on Mobile and Manufactured Housing heard testimony from representatives of the following State Agencies that regulate the development, expansion, or rehabilitation of mobile home parks.

STATE PERMITTING

Within the **Agency of Natural Resources, the Department of Environmental Conservation (DEC)** is the primary state permitting entity for all mobile home parks. (District Environmental Commissions with jurisdiction under Act 250 only regulate those mobile home parks of ten or more units.) DEC administers the State Environmental Protection Rules which pertain to site criteria, water supply, sewer/septic standards, and aesthetics. Public water supply systems, regulated by the Department of Health until July, 1991, are now under the jurisdiction of DEC.

DEC Permit Specialists are found in each District Environmental Commission office to help developers determine which permits are required by which agency by going over a Project Review Sheet checklist.

The DEC Enforcement Division is responsible for dealing with violations that have not been corrected through voluntary compliance in 22 environmental programs. In 1988, the Enforcement Division was granted the authority to issue administrative orders with injunctive aspects which may be appealed to the Environmental Law Division of the Superior court system. When the Enforcement Division issues administrative enforcement agreements called "Assurances of Discontinuance," the violation(s) cited must be corrected within a specified time period. The Enforcement Division has no inspection or investigative force.

Public Water Supply Program, formerly in the Department of Health, currently in DEC

The Department of Health regulated public water supply systems until July, 1991. It was responsible for issuing two types of permits: a permit to construct and a permit to operate. Public water supply systems are defined as ten or more connections or 25 or more people served over 60 days per year. The State enforces the Federal Drinking Water Act and is in the process of drafting new regulations that will require that a certified operator periodically test the water by 1993. The Department of Health reports that over half the water systems serving mobile home parks have deficiencies.

Within the **Department of Labor and Industry**, the Fire Prevention Division regulates electrical safety, fire prevention, boiler and pressure vessel standards, plumbing, and access standards. The Department normally relies on voluntary compliance. Electrical standards apply to owner-occupied and rental mobile homes. The condition of wiring in older mobile home parks is often poor. The Department conducts inspections in response to complaints.

ACT 250

Nine regional District Environmental Commissions in the State act in a quasi-judicial capacity to review development projects based upon 10 criteria (water and air pollution; water supply for project; burden on existing water supply; soil erosion; traffic; municipal educational facilities; municipal services; aesthetics, historic sites, natural areas, and wildlife habitat; conformance with compatibility and development plan; and conformance with local and regional plan) and multiple subcriteria. Commissioners are appointed.

Proposed developments of ten or more units must apply for an Act 250 permit. In most cases a hearing is held where evidence is taken on each of the 10 criteria, and decisions are made based on the facts presented. Individuals and groups potentially affected by a proposed project may have party status in Act 250 proceedings. District Environmental decisions may be appealed to the State Environmental Board and then to the Vermont Supreme Court.

APPENDIX C. FINANCING THE ACQUISITION, DEVELOPMENT, AND REHABILITATION OF MOBILE HOME PARKS

A variety of State, Federal, and private funding sources have been tapped to purchase mobile home parks on behalf of residents and to upgrade communities.

Vermont Community Development Program, in the Department of Housing and Community Affairs, provides grants and loans to municipalities for predevelopment, acquisition, new construction, and rehabilitation of mobile home parks that serve low- and moderate-income residents.

Vermont Housing and Conservation Board provides grants and low interest loans to municipalities, nonprofit organizations, housing cooperatives, and certain state agencies for predevelopment, new construction, rehabilitation, and acquisition of mobile home parks that will remain perpetually affordable for low- and moderate-income residents.

Vermont Housing Finance Agency has a variety of programs that provide low- interest financing for mobile homes and for predevelopment and acquisition of mobile home parks.

Vermont Community Loan Fund provides below-market rate short-term loans to nonprofit organizations or municipalities for affordable housing projects that serve low-to moderate-income Vermonters and provide for long-term affordability.

Federal Home Loan Bank provides financing for the purchase, construction, or rehabilitation of housing for rental or home ownership for families at or below 80% of median income.