

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



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Introduction

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

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

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

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

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

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

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

Executive Summary

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

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

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2. The mobile home industry has adopted the term "community" to describe mobile home developments. However, the term "park" is used by NFIP and will be used in this document.
 3. Sec. 2. 10 V.S.A. Chapter 153. Mobile Home Parks § 6201. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART III

Challenges and Recommendations

HISTORIC AND CURRENT CHALLENGES

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

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

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

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

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

RECOMMENDATIONS

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

Improving Disaster Resilience

STATEWIDE EFFORTS

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

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

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

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

LOCALLY TARGETED

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

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

INDIVIDUAL SCALE

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

Improving Mobile Home Park Viability

STATEWIDE EFFORTS

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

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

LOCALLY TARGETED

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

INDIVIDUAL SCALE

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

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

APPENDIX 2

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

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



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