



January 22<sup>nd</sup>, 2020

**Vermont Senate Committee on Economic Development, Housing & General Affairs**

Dear Honorable Committee Chair Sirotkin, Honorable Senators, Members of the Vermont Senate Committee on Economic Development, Housing & General Affairs:

I come to you on behalf of the Vermont Housing Finance Agency to support the inclusion of funding for the sustainability of Manufactured Home Parks within S.237 or through other legislative action.

Despite being the largest source of unsubsidized affordable housing in the United States Manufactured Home Parks do not fit neatly into traditional housing funding resource categories. Private park owners are largely left with commercial capital resources that are often not optimal matches for investments into long-term infrastructure projects for park sustainability. Following a national trend, parks in Vermont continue to convert from private ownership to co-operative and in some cases non-profit owned housing communities. Co-operatives and non-profits are inheriting parks with infrastructure needs that exceed any amount of funding that could reasonably be raised from increases to lot rents.

Our agency is called upon to finance needs in co-operative parks, privately owned parks, and non-profit owned parks. Just in the the last three years, our agency has financed three co-operative conversions and assisted with four major capital projects. While seeing residents become owners of their communities is exciting, the co-operative boards are also becoming owners of substantial lists of infrastructure and operational needs of the park. A recent example of St. George Community Cooperative selling as a co-operative to residents for roughly \$4.6 million. Engineering reports indicated a need to invest \$430,000 upon purchase in the first year to bring the park to sustainability, and another \$1.1 million in longer-term capital needs. Additionally, to prepare for future needs the engineering reports recommended an annual maintenance budget of \$45,000.

As detailed in the "Sustainability Assessment of Affordable Mobile Home Parks in Vermont", we have reached a critical mass of need in our state's manufactured home parks that calls for a higher level of dedicated investment and a formally coordinated approach around financial tools available for parks. New funding that is dedicated to parks now and into the future will ensure we can establish patterns of funding with strategic leveraging of existing state/federal funding.

Sincerely,

A handwritten signature in blue ink, appearing to read "Seth Leonard", is written over the word "Sincerely,".

Seth Leonard, Managing Director of Community Development