

# Vermont's Manufactured Home Community (MHC) Sector

Housing and Infrastructure Funding

Agency of Natural Resources  
**Department of  
Environmental Conservation**

Air and Climate   Land   Waste   Water



# Introduction

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## **Housing and Homeless Alliance Manufactured Home Community (MHC) Subcommittee**


Subcommittee includes:

- State (and quasi-state) Agencies
- Nonprofit housing organizations, VEIC, UVM Center for Rural Development
- WISP/CDI
- Individuals

Discuss sector needs, policies, funding programs, trends, and opportunities

# MHCs are a Critical Affordable Housing Resource

- MHCs were mostly built in the 50's – 70's as highway worker housing or RV parks that became year-round affordable housing
- MHCs serve low-income populations - average household median income in WISP-assisted parks is \$37,000. There is little room to raise rents to pay for upgrades. Average MHC is 30 households
- Median VT lot rent is \$413. Loan payment on a manufactured home ranges can range from \$500 – 750. Mobile home loans are like car loans with high interest – secured with Uniform Commercial Code lien.
- Legacy infrastructure was poorly built with little regulation and has exceeded useful life. Includes drinking water, wastewater, and electrical systems; increasingly, stormwater infrastructure is needed to address heavier rainfalls and to comply with 3-Acre rule.
- Vermont has Tenant Opportunity to Purchase law for residents when owners sell their parks – more rights than a “Right-of-First Refusal



Monthly payments listed are estimates only. Estimated payments, rates, & terms may vary based on placement and depending on verified credit history and income. This is not a credit decision or commitment to lend. Not all applicants will qualify. Subject to lender terms & conditions. Actual term, rate, APR, sales price, & loan amount may vary. For actual payment, rates, & term, please apply at [21stmortgage.com](https://21stmortgage.com) or contact us at 1-800-955-0021 to speak to one of our loan originators. Payment estimate is for a consumer loan to purchase a manufactured home used as a primary residence. Rates for non-primary residence, such as a secondary residence or rental property may be higher. Loan amount includes estimated origination fees. Estimated payment excludes any site rent, property taxes or insurance, & actual payment will be higher. Estimated loan amount excludes sales or property tax, title or other fees. Estimated payments, rates & terms valid as of 04/09/2025 and subject to change at any time.

LOAN AMOUNT	\$46,561.50	TERM	23 years
RATE	11.189%	APR	11.931%

# Nonprofit and Resident- Owned Parks

- Vt has 238 MHCs that provide housing to nearly 7,700 households with low and moderate incomes, using the HUD median income indicator
- 67 of these are nonprofit or resident-owned parks, serving 3,440 households. VHCB has funded 52 mostly nonprofit-owned MHCs – some co-ops.
  - Addison Housing Works and Housing Foundation Inc. own the most parks in the nonprofit affordable housing network
  - Cooperative Development Institute (CDI) delivers technical assistance to residents in VT, ME, & MA that want to purchase their parks as a co-op (nonprofits not buying parks anymore)
  - CDI formed the Water Infrastructure Support Program (WISP) in 2023 with USDA-RD funds to help resident-owned and nonprofit parks redevelop their infrastructure



- The 2025 HUD state median income in Vermont
- for a 4-person household is \$75,201,
  - 80% median for 4-person HH = \$60,160,
  - Median for a 1-person household = \$39,104

# Pressing Infrastructure Redevelopment Needs

- Nonprofits and co-ops inherited millions of dollars of problems after purchasing parks to preserve them as a critical affordable housing resource
  - **Issues underground are not well understood until engineering investigations can be performed.**
  - **2019 VHCB report estimates 25% of VT MHCs have needs of 200K-3MM each**
- Infrastructure failure is a major financial drain (leaking distribution system, failing pumps, aging septic systems)
- Affordable housing grant programs (VHCB & VCDP) lack sufficient funds to pay for 100% total project costs
  - **Roughly 6 years ago, VHCB recommended that park owners use the Department of Environmental Conservation State Revolving Fund program = **SRF****
- Just before the pandemic two parks in particular began large W/WW infrastructure redevelopment projects using the SRF. These projects illustrated that the SRF program design must be adjusted to comply with Act 154 of 2022, Vermont's Environmental Justice Law.

Account Name	Physical City	WW project	DW project
Breezy Acres Cooperative, Inc.	Colchester	X	X
Bunker Hill Community Cooperative, Inc.	Windsor	X	X
Hillcrest Resident Owned Community, Inc.	Colchester	X	
Lakeview Cooperative, Inc.	Shelburne	X	
North Avenue Cooperative	Burlington	X	X
Sterling View Cooperative Community, Inc.	Hyde Park	X	
Sunset Lake Cooperative, Inc.	Hinesburg	X	X
Triangle Cooperative	Brandon	X	X
Westbury Homeowners Association, Inc.	Colchester	X	
Weston's Cooperative	Berlin	X	

Park	Water	Sewer/Septic	Stormwater	Electrical	Roads	Drainage/Erosion	Floodplain	Other
Vaughn 9 units	Done 2023; VHCB	Done 2007	NA	NA	Done 2023	Dealt w/ via road paving	NA	NA
Lindale 67 units	Done 2006	Done 2024	3-acre in progress; ANR funding?	TBD -- only electrical associated w water/sewer are eligible for ANR	Mostly done 2024	Addressed with 3-acre project	NA	NA
Brookside 48 units	Done 2012; minor upgrades needed	PER complete 2023; Step II funded by ANR 2024; no good options	NA	Rated Poor in CNA	Being addressed from reserves	Have plan from engineer (not included in PER); will address from reserves	NA	NA
Lazy Brook 51 units	PER Complete 2023; Step II funded by ANR 2024	PER Complete 2023; Step II funded by ANR 2024	NA	Rated Poor in CNA	Being addressed from reserves	Major slope failure above park has already closed 1 lot	5-10 homes in flood plain; some mitigation work done 2023	Emergency power
Hillside 29 units	PER Complete 2023; Step II funded by ANR 2024	PER Complete 2023; Step II funded by ANR 2024	NA	Rated Poor in CNA	Being triaged from reserves	One lot closed due to drainage issue; road needs major redo	Several homes may be in flood plain; no floods to date	Petroleum cleanup; emergency power
KTP 45 units	PER funded 2024	PER funded 2024	NA	Rated Good in CNA	Being triaged from reserves	NA	NA	Major treework needed
Lauritsen 9 units	PER funded 2024	PER funded 2024	NA	Rated Fair in CNA	NA	NA	NA	NA
Maple Ridge 9 units	PER funded 2024	PER funded 2024	NA	Rated Fair in CNA	NA	NA	NA	NA
Otter Creek 73 units	PER funded 2024; some upgrades completed 2020	PER funded 2024; connected to municipal system	3-acre in progress; ANR funding?	Rated Fair in CNA	Being triaged from reserves; TBD	3-acre only dealing with treatment, not drainage	NA	Major issue with drainage and 73 heaving failing 4" pipe on grade

# State Revolving Fund program (SRF)

## ➤ Cognizant Agency = Environmental Protection Agency (EPA)

- Drinking Water State Revolving Fund (DWSRF): authorized in the Safe Drinking Water Act 1996
- Clean Water State Revolving Fund (CWSRF): authorized in 1987 amendments to Clean Water Act
- All federal funding programs require annual plan from states mapping out spending policies and priorities
- Intended Use Plan (IUP) contains Vermont's funding program criteria, requirements, and priorities

→ **Designed originally for municipalities and rural fire districts**

## ➤ Governing statute is Title 24, Municipal and County Government / Chapter 120

- The federal and state statutes are intended for municipalities but allow privately-owned systems to use the funding – municipalities and fire districts used bonds, underwritten by bond bank
- Privately-owned systems use loans underwritten by VT Economic Development Authority (VEDA)
  - “privately-owned public water systems” = have 15 or more connections or used by at least 25 residents year-round

## ➤ Program does not work well for entities like MHCs that lack capacity and need projects to be planned and constructed in a compressed timeframe due to the extreme disruption of people's lives

# Proposed Changes to Chapter 120

## Vermont Environmental Justice Legislation Act 154 of 2022 (S.148)

It is the policy of the State of Vermont that no segment of the population of the State should, because of its racial, cultural, or economic makeup, bear a disproportionate share of environmental burdens or be denied an equitable share of environmental benefits. It is further the policy of the State of Vermont to provide the opportunity for the meaningful participation of all individuals, with particular attention to environmental justice focus populations, in the development, implementation, or enforcement of any law, regulation, or policy.



## Title 24: Municipal and County Government Chapter 120: Special Environmental Revolving Fund

- **Subchapter 1: GENERAL PROVISIONS**  
§ 4752. Definitions
  
- **Subchapter 3: PRIVATE LOANS FOR PRIVATELY OWNED PUBLIC WATER SYSTEMS**  
§ 4773. Loan priorities
  
- **Subchapter 4: PRIVATE LOANS FOR CLEAN WATER PROJECTS**  
§ 4784. Loan priorities

## Opportunities to embed VT's Environmental Justice Law



- Subchapter 1 § 4752 defines a “disadvantaged” municipality and a “hardship” municipality. Both definitions relate to lower median household income; hardship municipality has added criteria of small size. Use % of income spent on water rates as indicator.
  - ***There is no definition or category for privately-owned (MHC-owned) systems. Parks rely on lot rents to repay SRF loans. Current staff recognize this but decisions are their discretion***
  
- Subchapter 3 §4773 - Loan priorities for privately-owned public water systems based on set of criteria
  - ***Subchapter doesn't distinguish between planning and construction loans. MHCs get stuck in long queue for planning loans. Criteria does not recognize financial hardship of paying for emergency repairs and upgrades in criteria.***
  
- Subchapter 4, §4784 – Loan priorities for privately-owned clean water systems establishes that,  
“No privately owned clean water project authorized under this subchapter shall be prioritized above a municipal clean water project.”
  - ***This becomes problematic when SRF is reviewing multiple loan applications and MHCs are behind a municipality in the queue but have pressing issues that can't wait.***
  
- “The Secretary shall at least annually prepare and certify to VEDA a list of privately owned clean water projects, ranked in priority order, that are eligible for financial assistance under this subchapter.”
  - ***It is problematic for MHCs to wait for an annual application and acceptance to the annual priority list. The State of Maine solves this with a set-aside for small, privately-owned public water systems.***