

Preserving Affordable Housing and Ensuring Stability for Residents of Manufactured Home Communities



Presented by:

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On behalf of:

The New Mexico Housing Alliance

Housing is Health



- An affordable, safe and permanent home is essential to good health.
- Housing instability and homelessness can negatively impact one's physical and mental health.
- All communities, and particularly vulnerable populations like children and seniors, need safe and stable housing to thrive and reach their full potential.
- Manufactured home communities provide built-in support and community, a key factor in overall good health.
 - a. Especially important in senior manufactured home communities, which make up a large segment of the MHCs in New Mexico.

New Mexico Mobile Home Park Act

- The Mobile Home Park Act (MHPA), enacted in 1983, recognized the unique vulnerabilities of residents who own their homes but rent the land.
- The purpose of the Act is to give greater protections to manufactured home owners than the protections provided under the Uniform Owner Resident Relations Act.
- Additional statutory protections are premised on the inherent vulnerability of families who own a home but lease th



Biggest challenges
faced by New
Mexico's
manufactured home
community residents.

- 1) Vulnerability to predatory practices
- 2) NO public enforcement
- 3) Affordability crisis

1) Vulnerability to predatory practices

- Over the past 20 years, manufactured home communities increasingly have gone from “mom and pop” enterprises to ownership by private equity firms, hedge funds, and large, multi-state corporations that seek to capitalize on manufactured-home owners’ vulnerabilities.
- Private Equity business model: buy a park, increase the rent to increase cash flow, thus increasing the park’s value, and then sell it within a few years for a profit.



Mobile home park tenants get eviction notice after 45 years



2) No Public Enforcement

- There is no public enforcement of the MHPA
- No accountability for those who violate the law, leaving residents with rights they are unable to enforce.



Amber Skies and Desert Palms

INVESTIGATES



do not have legislative authority to force a contractor to
comply with code violation correction determinations.

NMRLD

NEW MEXICO
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LICENSING DEPARTMENT

KOB 4

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KOB 4



KOB 4

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KOB 4

3) Affordability crisis

- NM lacks around 40,000 units of affordable housing.
- Manufactured homes provide the largest source of unsubsidized affordable housing in the United States.
- Manufactured Homes make up a much larger portion of affordable housing stock in NM than the national average.
 - 15% in NM v. 5% nationally
 - Manufactured homes represent more than 30 percent of the housing stock in 11 New Mexico counties.



The Financial Impact of Rent Increases

- Erosion of equity
 - For every \$100 increase in site rent, a manufactured home can lose **\$10,000** in value
- Challenges in the Market
 - Rising site rents make it difficult for homeowners to sell their homes at a fair price.
- Three difficult options
 1. Pay the higher rent,
 2. Spend thousands to relocate, or
 3. Abandon their home

The Myth of Mobility

- Manufactured homes, aka “mobile homes” are largely immobile as a practical matter.
 - Moving costs - \$9,000 is the national average.
 - Many parks have age restrictions for incoming homes.
 - High potential for home to be damaged during the move.



Opportunities for Legislative Action :

- 1) Adopt an Opportunity to Purchase Act;
- 2) Grant the Attorney General explicit authority to investigate and enforce the MHPA, and
- 3) Limit the number of and amount of annual rent increases.
 - Require that all lease terms be no shorter than one year,
 - Limit rent increases to no more than 5% annually.

Opportunity to Purchase

Create a Path to Resident Ownership

- **Notification Requirement:**
 - Mandate that community owners inform residents, resident associations, and local/state governments about offers or market listings.
- **Decision Waiting Period:**
 - Allow residents a reasonable time to consider purchasing the community and make an offer.
- **Require Good Faith Negotiation:**
 - Oblige sellers to negotiate fairly and grant residents the right to match offers.



What are Resident - Owned Communities (ROCs)?

Definition:

- **Collective Ownership:** ROCs are manufactured home communities where residents collectively own the land and manage the community through a cooperative or association structure.
- **Community Control:** Residents purchase the community through a cooperative model, giving them control over decision-making and management.

The Path to Resident Owned Communities - the ROC USA Model

1) Initial consultation and assessment

- **Governance setup:** help residents form a cooperative or other entity needed to make a purchase.
- Help with a feasibility study when necessary.

1) Provide Financial and technical support

- **Financing:** help residents access funding for purchasing the community.

3. Support During the Purchase Process

- **Guidance:** Help residents negotiate with the current community owner to secure a fair purchase price and terms.
- **Legal support:** Provide access to legal resources to handle contracts, property transfers, and documentation compliance issues.

4. Post-Purchase Support

- **Training and support:** help residents on community management, governance and operations.



Case Studies: New Hampshire

Key Legislation:

- New Hampshire was a pioneer in the **ROC USA** model, where manufactured home community residents form cooperatives and purchase their land.
- The state passed laws to support this process, including providing technical assistance to residents and ensuring that financing is available for cooperative land purchases.

Impact

- Since adopting the ROC model:
 - 9,099 homes in NH were preserved as stable, affordable places to live.¹
 - 150 Communities were removed from the speculative real estate market.²



Case Studies: Colorado

Key Legislation:

- In 2020, Colorado passed HB20-120, which provides manufactured home community residents in Colorado with the legal right to purchase their community if the park owner decides to sell.
- Ensures residents have the chance to preserve their housing and prevent displacement.

Impact:

- 454 homes preserved as stable, affordable housing.
- 9 Communities removed from the speculative real estate market

Conclusion

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