



# Foundations

An I'M Home eNewsletter (Vol. 2, Issue 2)



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## BREAKING GROUND



Dear Friends and Colleagues:

Welcome to the third edition of *Foundations*, a twice-yearly e-newsletter that brings you the latest news from the I'M HOME network. This week we were excited to mark the second annual National Manufactured Housing Week, and I hope you'll take a moment to celebrate with us by reading about some of the achievements of our partners across the country. Speaking of our partners, I am happy to welcome [Northwest Cooperative Development Center](#) (NWCDC) to the I'M HOME network! NWCDC became ROC USA™'s 10th certified technical assistance provider in March, with a service area of Oregon, Washington and Idaho.

The first half of 2009 has seen a lot of state policy activity in the realm of manufactured housing—see the [Policy Update](#) section of this newsletter for a synopsis of what issues are gaining traction in different parts of the country. There are also interesting developments at the federal level. The public comment period on FHA Title I (home-only financing for manufactured housing) reform, for example, expires June 22. If you are interested in commenting on the proposed changes, please [click here](#) for a summary of those changes and instructions on how to submit your feedback. Please also contact [Laura Arce](#) with questions and to let her know about your comments. Similarly, we anticipate that the Federal Housing Finance Agency will release guidelines for Fannie Mae and Freddie Mac's "duty to serve" the manufactured housing sector in the coming months. We expect there to be a public comment period, which we will publicize.

Finally, we are very excited that the Waxman-Markey draft of "[The American Clean Energy and Security Act of 2009](#)" includes a technical amendment of the Department of Energy Weatherization Program to supply funding to support the replacement of pre-1976 mobile homes with high-quality, Energy Star-qualified manufactured homes. The I'M HOME network is pleased to participate in a Capitol Hill briefing organized in collaboration with the [Energy Programs Consortium](#) and the [Environmental and Energy Study Institute](#).

The briefing, "A Solution for Affordable Housing in Energy and Climate Legislation," is scheduled for Thursday, June 25 at 10 a.m. in the Russell Senate Office Building Room 418. Please encourage your representatives and their staff to attend to learn more about this important issue.

I hope you'll enjoy these stories of how manufactured housing contributes to economic security in challenging times and how our partners are changing lives and touching communities near you. You can always visit our [Web site](#) to find out what CFED and our partners are up to between editions of *Foundations*, or to browse some of the latest headlines and research on manufactured housing. We are also always looking for ideas about what to include in future issues, so feel free to drop us a line at [imhome@cfed.org](mailto:imhome@cfed.org).

From our home to yours,

Kathryn

## STORIES FROM THE FIELD



Nikole Legare accepts the keys to her new, energy-efficient home.

### Green Homes That Save

Working with I'M HOME network member NeighborWorks Montana, Nikole Legare replaced her 1968 manufactured home with a new, larger and more energy-efficient model. The move lifted her family's spirits, saved money in energy and repair bills and helped her gain the confidence to become a small business owner. She now is a licensed day-care provider working out of her home.

With state funding, NeighborWorks Montana launched a pilot program to document the cost effectiveness of replacing rather than repairing dilapidated manufactured homes. Frequently, homes built before 1976 are "energy hogs." But today's manufactured homes are highly rated for energy efficiency. CFED supports several housing replacement programs across the country to demonstrate that modern manufactured housing can provide safe, quality homes and also help low-income homeowners build assets.

Through the program, Legare qualified for a low-interest loan on a 2009 manufactured home. Even with a new mortgage, her

estimated payments for each month run much lower than her former winter propane bills alone—bills that averaged \$600 a month. Now with more space, Legare was able to have her son Dustin move back home after he was previously living with her parents. Today, Legare feels she lives “with a pride I have not had before.”

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## PARTNER PROFILE



### Landmark Victory for Delaware Homeowners

This summer, a pioneering group of owners of manufactured homes in Delaware will buy their community and operate it as a resident-owned community. The sale was the first of its kind under Delaware’s “Opportunity to Purchase” law requiring owners of manufactured home communities to offer an opportunity to purchase to homeowners who rent their sites when they are preparing to sell the community. The law passed in June 2008.

In February, homeowners of the Minquedale Mobile Home Village in New Castle joined together after the person who owned the property for 50 years decided to sell. Fearing rent increases, owners determined to buy the property together. They organized a homeowners association, elected a board of directors and complied with provisions of the new law. In March, a Delaware court determined that the residents met the legal requirements, and that the property should be offered to them for sale.

The homeowners were assisted by New Jersey-based nonprofit Real Estate Advisory & Development Services (READS)—the ROC USA™ Network Certified Technical Assistance Provider for Delaware—which helped to guide the owners through those key processes. This included arranging pro bono legal representation and helping to secure financing for the purchase, a \$2.1 million loan through ROC USA Capital and the National Council on Agricultural Life and Labor Research Fund, Inc.

Minquedale homeowners will continue to pay a monthly fee, but instead of it being lot rent to a third-party landowner, it will be operating costs and debt service on property they own and control as an association. Minquedale residents enjoy the pride of homeownership, and their hard work and the efforts of the organizations that supported them helps pave the way for future owners of manufactured homes to achieve similar successes.

“This is a win for everybody,” Brian Keenan, president of READS, said. “The seller gets a competitive price for their community and the homeowners get to control their future. We hope it shows other community owners that resident ownership is a real and viable option, and that residents should be considered as viable buyers when an owner decides to sell a community.”

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## POLICY UPDATE

### State Policy

Resident purchase opportunity legislation [HB 2383](#) recently passed both houses of the Oregon State Legislature and will likely be signed into law by the governor. It is not effective until January 2012, which gives the Landlord/Tenant Coalition time to clarify its framework.

In April, Montana enacted two bills concerning resident ownership. The first, [HB 636](#), provides for a capital gain exclusion on the gain realized from the sale or exchange of a manufactured housing community to a homeowners association, nonprofit organization, county housing authority or municipal housing authority. The second, [HB 495](#), addresses fundamental freedoms and resident association meetings and provides that a landlord may not interfere with or prevent the attendance of an invitee at a resident association meeting. It also requires a landlord to not prohibit meetings by a resident association of tenants relating to the future plans for the community, including sale or change of use.

With the help of the National Consumer Law Center, we have tracked policy activity in 11 states since January: Alaska, Arkansas, Massachusetts, Maine, Maryland, Missouri, Montana, Oregon, Pennsylvania, Rhode Island and Washington. Policymakers are focusing on the following issues: converting manufactured housing to real property; residents' opportunity to purchase their manufactured housing community; taxation of manufactured housing; replacement of substandard homes with new, energy-efficient manufactured homes; notice of community closure and/or relocation assistance; protections for homeowners in land-lease communities; and launch of a new affordable housing program that includes manufactured housing.

#### Federal Policy

We have also been hard at work making connections with incoming leaders at key federal agencies. We drafted two pieces to educate policymakers on the importance of manufactured housing and the areas of federal policy that most directly influence homeowners' ability to build assets. These efforts included a memo to the Obama transition team and a memo outlining potential regulatory fixes for existing HUD programs to benefit owners of manufactured homes. We also submitted comments to the Community Development Financial Institutions Fund making recommendations on how a new affordable housing program, the Capital Magnet Fund, can most effectively include manufactured housing as part of its affordable housing purpose. We also drafted a letter to the Federal Housing Finance Agency offering suggestions for how to structure Fannie Mae and Freddie Mac's "duty to serve" to most effectively carry out the legislation's intent. Thanks to many of you for helping us craft these documents!

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## PARTNER HIGHLIGHTS

Across the country, I'M HOME partners are using manufactured housing to change the lives of families near you. Here are just a few of our partners' latest successes:

NeighborWorks Montana and partner agencies in the state are spearheading a project which has replaced 11 pre-1976 mobile homes with modern, energy-efficient manufactured homes. In Red Lodge, a 30-site manufactured housing community is undergoing renovation of the infrastructure and replacement of about half of the homes. The project will be completed in the fall.

In Pennsylvania, Regional Housing Legal Services (RHLS) is working with the state housing finance agency, ROC USA™ Capital and PathStone on an HFA product to assist MHP residents in purchasing their communities when they undergo sale or face closure. RHLS is also working with state legislators on a resident opportunity-to-purchase bill which may be introduced in the current legislative session.

In Delaware, Real Estate Advisory and Development Services (READS) is gearing up for its first community conversion in the state. Please see related [Partner Profile](#) for more on how homeowners of Minquadale Village will soon be the first resident-owned and operated manufactured housing community in Delaware.

Utah Housing Coalition, Utah Manufactured Homeowners Action Group and Utah Resident Owned Communities continue to present a three-part seminar for owners of manufactured homes across the state. The seminar addresses homeowners' issues and solutions in manufactured home communities, including the need for resident associations, increased knowledge of homeowners' rights and resident ownership as a possible solution to community closures.

In Arizona, The Primavera Foundation purchased a distressed residence in South Tucson with the purpose of demolishing the site-built house and placing two new Cavco manufactured homes on the lot. One of the homes will be purchased back from Primavera by the original owners, an elderly couple with income of less than 50% AMI. The other home will be purchased by the couple's son and his wife and children as first-time homebuyers.

In Washington, Rural Community Assistance Corp. (RCAC) successfully converted its second manufactured housing community to resident ownership through its partnership with ROC USA™. Sandy Acres, located in Buckley, Washington, is a 35-space community. The residents' purchase of the community closed in April. Funding sources include Washington State and the Washington Community Reinvestment Association. As with the recent resident purchase of Hidden Village, Columbia Legal Services was once again an integral partner in this deal, working with RCAC and the homeowners to facilitate the transaction.

In early May, CASA of Oregon facilitated the signing of a purchase and sale agreement on behalf of the Green Pastures Senior Cooperative in Redmond, Oregon. CASA of Oregon and the Northwest Cooperative Development Center will continue providing technical assistance to the cooperative in anticipation of an October closing date.



In Maine, with the help of the Genesis Community Loan Fund, residents of Medomak Mobile Home Park in Waldoboro purchased their park on March 13, becoming the first manufactured housing co-op in Maine. As long-time resident Alton "Shorty" Hayden said, "Now I don't have to worry about someone coming in, buying the land and kicking us all out. I don't have to worry about a huge rent increase or not having any place to go."



### ROC USA™ Celebrates its First Anniversary!

Between May 2008 and April 2009, Certified TA Providers (CTAPs) in the ROC USA™ Network have helped 10 co-ops buy their communities and preserved 727 homes in six states: Oregon, Washington, Minnesota, New York, Connecticut and New Hampshire. Six more communities in Texas, Oregon, Delaware, Montana, Utah and New Hampshire are under contract and will be converted by the fall. Congratulations to all nine founding CTAPs, each of which has either closed at least one transaction or has one under contract, meeting a Network-wide goal for its first year! The network also certified its 10th nonprofit, Northwest Cooperative Development Center, earlier this year.

Since its launch in September 2008, ROC USA Capital has finalized two co-op purchase loans in New York and Connecticut totaling \$6.7 million and has committed to two more in Delaware and Texas totaling \$4.2 million. ROC USA Capital continues to creatively craft strong financing packages even in the face of the worst commercial credit crunch in modern economic history.

In April 2009, ROC USA™ and nine CTAPs exhibited the network's resident ownership enterprise model at the Manufactured Housing Institute's annual convention in Las Vegas. There was widespread interest in the network and its national business model

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by industry players. ROC USA is a regular participant in industry events and publications in pursuit of our goals to increase knowledge, build relationships, expand resources and find manufactured home community sale listings that lead to serving our mission at scale.