

Community **And Shelter Assistance Corp.**

# I'm Home Program

Preserving Manufactured Home Parks in Oregon

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*CASA of Oregon has a 20 year history of providing assistance to non profits and Housing Authorities throughout Oregon.*



Peter Hainley, Executive Director



Victor Manor,  
McMinnville, OR

# Part I: An Overview of Manufactured Home Parks

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- ❑ Oregon Resident demographics
- ❑ Manufactured Home Parks as an affordable source of existing housing.
- ❑ The trend of park closures, and its impact upon residents.

# Oregon's Manufactured Housing Parks

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- ❑ Oregon has 1,325 manufactured home parks containing nearly 67,000 spaces.
- ❑ 2/3 earn less than 70% of the National Median Income (\$32,428)
- ❑ 46% are Seniors
- ❑ **One in ten affordable housing units statewide is a manufactured home in a manufactured home park.**



# Oregon's Manufactured Home Parks

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- ❑ Manufactured housing has opened the door to homeownership for millions of families nationwide, a door that would otherwise have remained shut.
- ❑ Manufactured housing offers the continued promise of creating housing that, due to property costs in Oregon, is out of reach of ordinary people.
- ❑ These existing homes meet a critical housing need to hard working families and residents on fixed incomes in Oregon.

# **Manufactured Housing Parks represents a large portion of the unsubsidized housing stock affordable to low-income Oregonians.**

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**There are two growing trends threatening this stock:**

- The sale and closure of manufactured home parks (MHPs) and the consequent displacement of low-income households; and
- The increasingly run-down infrastructure associated with many parks.

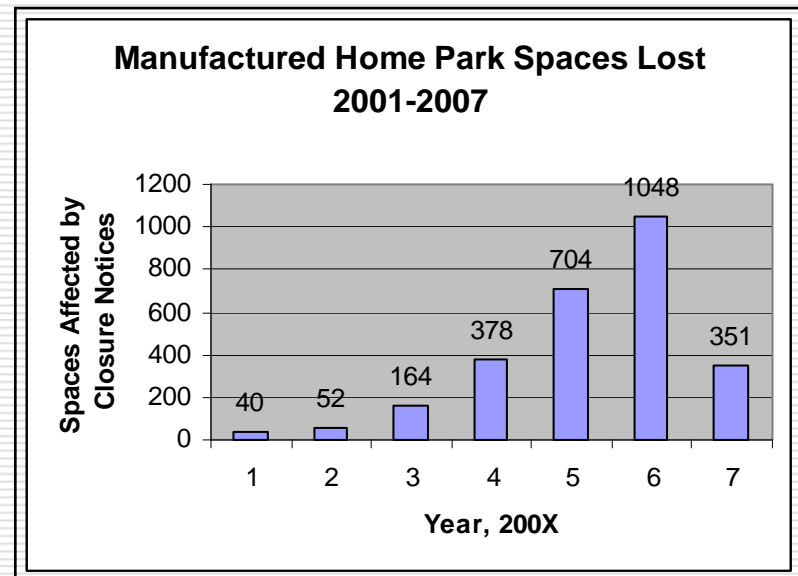
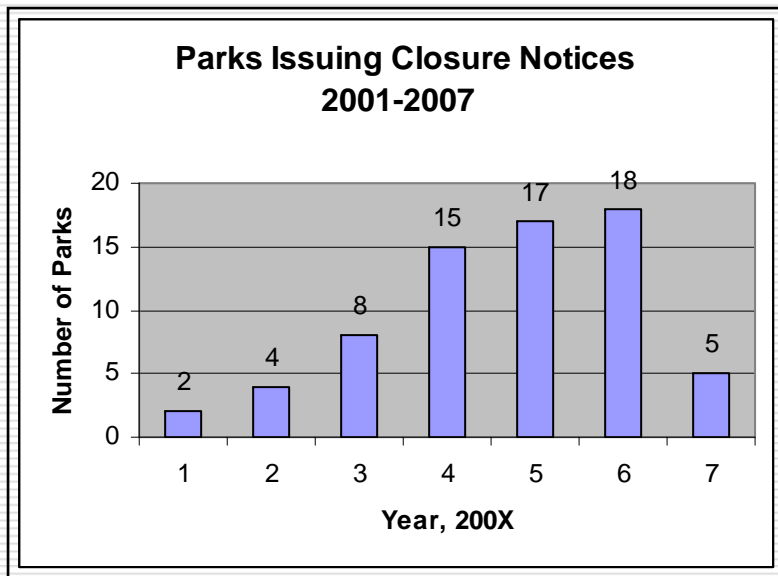
## Manufactured Housing Park Closures in Oregon

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- Since tracking began in 1989;
  - 4.5% of Oregon's parks have closed;
  - 3.5% of the total home spaces were lost.
  
- In 2006 20 MHPs were closed in Oregon
  
- A total of 60 MHPs have closed within the last five years eliminating almost 2600 spaces

# Data on Parks Issuing Closures Notices and MHP Spaces Lost, 2001-2007

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# Part II: The I'm Home Program

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In 2006 CASA launched the I'm Home Program. The program is funded with grants from CFED (a national nonprofit) and Oregon Housing & Community Services.



CASA's goal is to set up a program modeled on the successful New Hampshire Community Loan Fund (NHCLF) program. NHCLF has converted 20% (85 parks) of New Hampshire's total parks into resident owned communities (ROC).

# I'm Home Program Description

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- In conjunction with our primary partner, Community Development Law Center, CASA is developing a replicable model or models for resident ownership, and,
  
- Promote the development of an expanding field of Oregon practitioners who:
  - Provide on-going education and advocacy for MHP residents
  - Assist MHP residents threatened with loss of their homes
  - Promote the preservation of MHPs as an affordable housing option as well as the creation of new MHPs.

# I'm Home Program Description

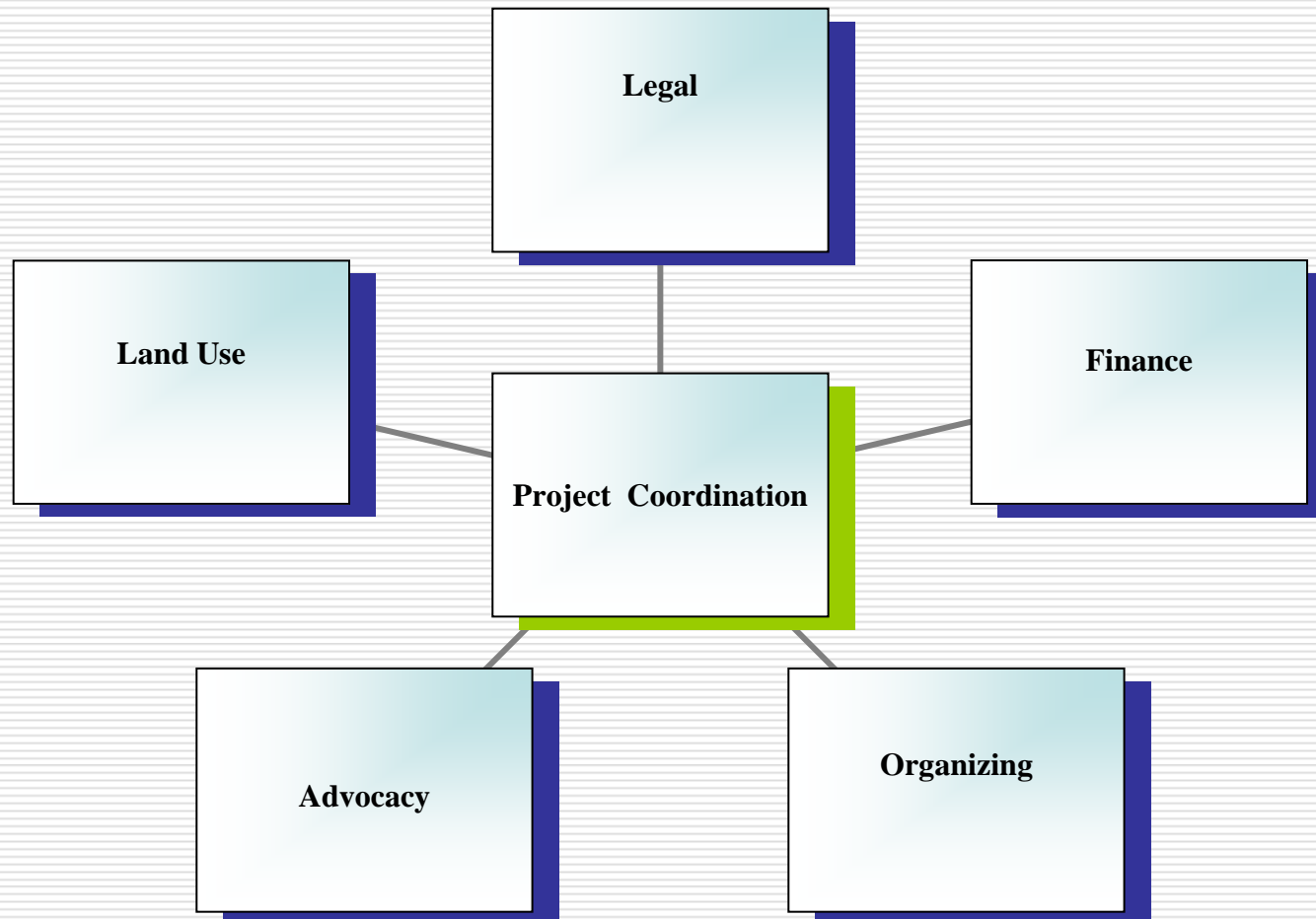
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The I'm Home Program enlists the following strategies to achieve its goals of MHP preservation: The program will:

- Evaluate the feasibility of various models of resident ownership, with the aim of determining which model or models work best in particular situations;
- Based on a defined set of criteria,
  - select one or more MHPs which are otherwise targeted for closure;
  - assist the residents with the purchase of MHP and ongoing operation

# I'm Home Program Description

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# I'm Home Program Description

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## Develop capacity to provide residents

- ❑ Ability to purchase park
  - Legal structure
  - Financing
  - Infrastructure development
  - Construction management
- ❑ Ongoing assistance
  - Board Development
  - Capacity building
  - Management assistance



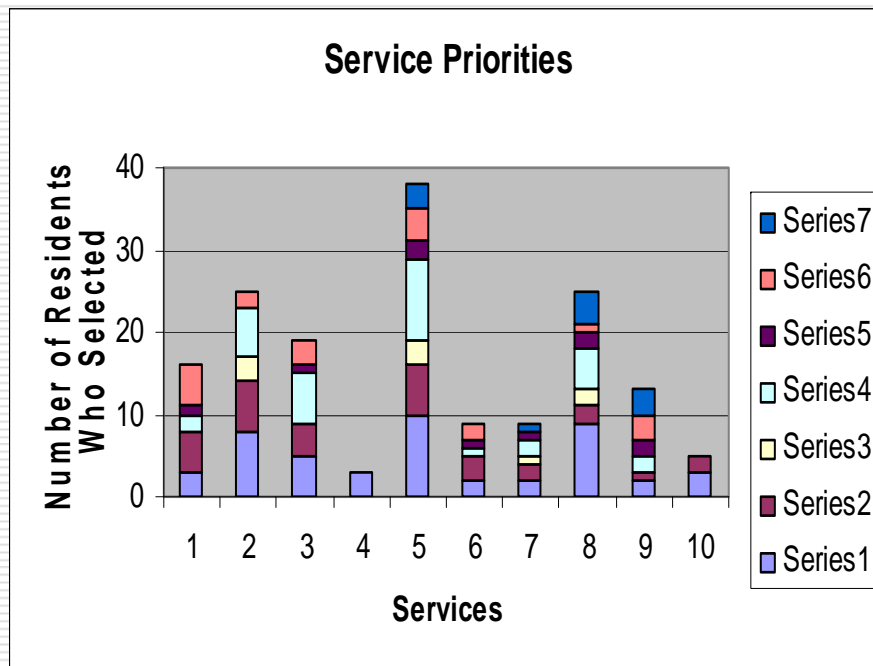
# I'm Home Program Description—Focus Group Inquiry

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Recently, CASA conducted an inquiry to determine the needs of MHP residents and assess existing resident support services. CASA obtained information for its inquiry through a series of interviews, surveys and focus groups. The inquiry proposed to:

- Inventory existing supports provided to MHP residents;
- Identify needed support services for park residents;
- Summarize issues in providing support to MHP residents;
- Develop a strategic plan to be used as an outline for creating an effective resident organization to support MHP residents.

# Service Priorities Identified By Resident Focus Groups



## Legend

1. General information about rights and responsibilities of residents
2. Single place to call for guidance or referral for help with specific issue
3. Mediation services for landlord-tenant issues
4. Mediation services for problems among tenants
- 5. Voice for park residents in state law-making.**
6. Updates about other cities and counties
7. Help with forming resident associations
- 8. Help with exploring whether residents can purchase park as a group**
9. Help with learning how to negotiate with landlord on park improvements
10. Other

# What the Inquiry Taught Us

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- ❑ Manufactured home parks are more than housing of last resort for low income households. Older residents in particular choose to live in parks because it suits their life circumstances well.

# What the Inquiry Taught Us

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- Park residents want to have an active role in policies regarding parks and should be invited to participate. They have the knowledge, skills and ability to add significantly to this discussion.

# Part IV: Park Resident Surveys

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Victor Manor, McMinnville Oregon

Clairmont, Oregon City, OR

Saddle Butte, Roseburg Oregon

# Park Resident Surveys: Victor Manor

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Another park considered for possible conversion into an ROC is Victor Manor of MacMinnville, OR. These residents have received notice of a park closure, and the owner appears to be interested in conditional sale to the residents. The residents have taken the initial step for form a nonprofit cooperative and are negotiating a park purchase.

The park consists of 35 occupied spaces and three vacant lots. On average, residents pay approximately \$195 for space rent and the average utility cost per resident is between \$100-249/month.

# Summary of Survey—Victor Manor

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- The housing stock is generally older; of the respondents who answered the survey, only 12% identified their homes as built in 1980 or later.
  
- 69% of respondents reported their homes were older than 1980.
  - 23% of these homes were built between 1960-1969.
  - 46% of these homes were built between 1970-1979.

# Summary of Survey—Victor Manor

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## □ Length of Residency

- The majority of residents (54%) have lived in the park from 3-7 years.
- 27% of residents have lived in the park 7-10 years.
- 20% have lived in this park 11 years or more.

27% of residents have lived in a previous park (19% have lived in one other park; 8% have lived in 2 or more parks).

# Summary of Survey—Victor Manor

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- Resident Profile suggests a mixed community with seniors and families.
  - 12% of residents are Senior Citizens.
  - 85% of households have three or more persons.
  - Of those respondents reporting households with children,
    - 77% reported K – 12 age children, and
    - 27% reported pre-school aged children living within the home.

# Summary of Survey—Victor Manor

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- Income: Residents are predominantly low income. 85% percent of respondents were below the 50% median income level.
- - 62% of respondents earned b/w \$1000-2000/mo. Many of these respondents had more than two residents living in the dwelling.
  - 23% of respondents reported an income of less than \$999.00/mo.
  - 8% earned b/w \$2000-2,999/mo.
  - Only 8% of total residents reported a monthly income of greater than \$3,000/mo.
  - 62% of respondents reported employment in agriculture.

# Summary of Survey-Victor Manor

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## Homeownership and Mortgages

- 35% of respondents still owe money on their home.

<u>% of respondents</u>	<u>Amount Owed</u>
73	\$0-1999.00
2	\$2,000-\$4,999.
4	\$5,000-\$10,999.

# Summary of Survey—Victor Manor

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- Of respondents who pay a monthly mortgage,
  - 81% pay b/w \$0.00 and \$199.
  - 8% pay b/w \$200-\$299.
  - 4% pay b/w \$300-\$399.
  - 4% pay b/w \$400-\$499.

# Summary of Survey—Clairmont

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- Housing Stock—is predominantly older.
  - 61% of homes were made between 1970-1979, and 3% of homes are older than 1970.
  - Only 30% of homes were made after 1979.

# Summary of Survey—Clairmont

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- ❑ The population is mixed, respondents participating in the survey were predominantly senior citizens over the age of 60 (60%) and . The majority of the residents owned their own homes, without monthly mortgages (67%).
- ❑ Roughly 28% of the residents did report having three or more people live in the home, and 25% indicated having preschoolers or schoolaged children, suggesting a mix of seniors and families in the park.

# Summary of Survey--Clairmont

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- Single-wide manufactured homes accounted for 46% percent of the housing the respondents lived in, and double-wide manufactured homes accounted for 66%.
- Length of residency at this park varies, but it is clear from the numbers that the majority of residents view their occupancy as long term housing.
  - 27% of residents have lived here less than three years.
  - 31% of residents have lived here 3 to 10 years.
  - 30% have lived here 11 years or more.

# Summary of Survey--Clairmont

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- 73% of park resident incomes fall below 50% of the medium income.

## Saddle Butte Survey

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CASA as conducted a number of surveys at a number of parks to identify parks that would be good candidates for conversions into Resident Owned Communities (ROCS). CASA has so far identified 5 parks to be considered for possible conversions.

One park, Saddle Butte, is located in Roseburg. While a closure notice has not been issued to residents of the park, it is believed the owner will issue a closure notice in the not too distant future. The park consists of 297 spaces. On average, residents pay approximately \$275 for space rent and the average utility cost per resident are \$157 a month.

## Summary of Survey

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- ❑ Housing stock is older; only 4% of the homes were constructed in the last 10 years
- ❑ 22% are pre-HUD Code homes built prior to 1977
- ❑ About half of the residents have lived at Saddle Butte for more than five years

### ❑ **Profile of Residents**

Age: Mixed, but mostly older

- 55% are 60 years old or older; 45% of these older residents live alone
- 38% are younger than 60 years old
- 7% did not provide an age

## Summary of Survey

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### Income: Predominantly low income

- 38% reported a household income of \$18,000 or less
- 56% reported a household income of \$23,000 or less
- 6% reported a household income of \$50,000 - \$75,000



# Summary of Survey

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## □ Park Life

*Length of Residency in Saddle Butte: About half have lived in the park more than five years. Length of residence ranged from 5 months – 33 years.*

- 46% lived in this park 5 years or less
- 19% lived in this park 6 – 10 years
- 11% lived in this park 11 – 15 years
- 11% lived in this park 16 – 25 years
- 10% lived in this park 26 – 35 years
- 3% did not answer this question

# Summary of Survey

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## Amount Owed: Range of \$2,500 to \$46,500 owed on homes

- Among those who owed money on their home,
  - 24% owed \$2,500 - \$10,000
  - 17% owed \$10,001 - \$20,000
  - 24% owed \$20,001 - \$30,000
  - 9% owed \$30,001 - \$40,000
  - 2% owed \$40,001 - \$50,000
  - 24% did not respond to this question

# Every Park Surveyed Overwhelming said the following:

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- In every survey, the overwhelming majority of residents expressed interest in owning the land their home sits on, but would probably require help making this purchase.

# Three Park Comparison

	<u>VICTOR MANOR</u>	<u>CLAIRMONT</u>	<u>SADDLE BUTTE</u>
Location	McMinnville	Oregon City	Roseburg
Number of Spaces	30	180	290
Current Rents	195	465	275
Maximum Rents	400	480	400
% of park below 50% MI	85%	73%	54%
Rental Income	136,800	1,125,579	1,338,000
Operating Expenses	93,115	460,000	522,558
Net Operating Income	43,685	665,579	815,442
Maximum Loan Potential	650,000	9,400,000	12,100,000
Sales Price	1,500,000	14,000,000	16,000,000
Infrastructure & Closing Costs	456,000	348,000	883,749
<b>Equity Gap</b>	<b>1,306,000</b>	<b>4,948,000</b>	<b>4,783,749</b>
<u>Assumptions:</u>			
1) Primary loan terms = 8.5%, 30 year fixed			
2) OAHTC on primary loan reduces loan rate to 4.5% amortized over 20 years, refinance in year 20			
3) Secondary loan terms = RCAC funds copy first loan terms, minimum rate of 5.5%			
4) Primary Loan will only cover 80% Loan to Value			
4) Debt coverage ratio of 1.1			
5) 5% vacancy allowance on rental income			
6) Victor Manor and Saddle Butte need significant infrastructure repair.			