

Mobile home parks becoming resident-owned

PathStone program helps retain low-cost housing by creating cooperatives

By NATE DOUGHERTY

The building boom of the 2000s had detrimental effects on mobile home communities. Before the subprime crisis and ensuing commercial credit restrictions, there was a rash of owners selling off these properties for other uses like big-box stores or strip malls.

The immediate effect was harmful for the residents, often low-income people, but it pushed states to enact legislation that resulted in a program led by PathStone Corp. to preserve this form of housing.

During the past decade, many states, New York included, have enacted tax incentives to induce owners of mobile home parks to sell to the residents themselves. A New Hampshire-based group called Resident Owned Communities USA was formed to facilitate these purchases and even help find funding. Pathstone, a community development and human services non-profit that helps low-income groups, has become an affiliate of ROC USA, overseeing efforts in New York, Pennsylvania and Ohio.

Though the program has not yet produced new resident-owned parks in the Rochester area, the program's manager at PathStone, Andrea Schuck, says it is only a matter of time before cooperatively owned parks are prevalent everywhere.

ROC USA identifies mobile home com-



Photo by Kimberly McKinzie

Manager Andrea Schuck says the PathStone Corp. program offers the security of ownership for mobile home residents used to paying rent to park owners. Another benefit is resident control of property maintenance.

munities that are for sale and could be viable under resident ownership, then assembles a coalition of local and national non-profits to aid the residents during and after the purchase. It also offers financing. Each park is run by a board of directors made up of residents.

This arrangement offers stability to homeowners, especially those on low or fixed incomes, says Paul Bradley, New Hampshire-based president of ROC USA.

"When you talk to homeowners in manufactured home communities, the No. 1 thing they want is security," he says. "Ultimately they bought a home, and the basic

premise of buying a home is you are gaining economic security, control over their lives and futures. For a segment of the population—and there are some 2.7 million people who live in mobile home parks—they bought the home but still had to rent the land beneath it."

There is evidence that resident ownership does provide the desired security. A survey of New Hampshire cooperatives by ROC USA found that their residents tended to stay 15 percent longer than the average U.S. homeowner stays in a home.

The arrangement has other advantages for the members, Schuck adds. Because

no owner is looking to make a profit from operating the park, the board can raise rents only when that is justified because of repairs or capital projects. The board also can keep up with maintenance, creating a safer and more reliable place to live.

"Some of the parks are older, and the infrastructure is falling apart, and some of the owners now may not choose to address things until they actually break," Schuck says. "But resident owners can be more proactive, and that saves them money in the long run."

New York has 17 cooperative mobile home parks, including one in Clarkson.

"We see this as a growing trend and want more people to know this is an option," she says. "There are a lot of owners who use these parks as an investment, and we're in the process of telling them that if they want to sell the park, a great option is to sell it to residents."

Some of PathStone's work involves convincing the property owners that residents are a good option to sell to and that such arrangements have worked in the past. The organization also works with residents to describe what is involved and what functions the board serves.

The size of many of these communities means there are always some reluctant members, Schuck says. Some would rather be left alone, and existing co-ops have created the option for these people to remain on their property but not become members of the new group, sometimes paying a slightly higher rent because of it.

More often there are eager members, some with experience on non-profit boards

Continued on next page

Continued from previous page

or in businesses, Schuck says.

"There are people who live in these parks who have operated or owned their own businesses," she says. "They have the skills and abilities, and we're also there with them to provide assistance and ongoing training for the board."

PathStone's involvement with a board lasts 10 years. Representatives go to board meetings, help to develop agendas and form subcommittees for things like finance and membership.

The board of directors learns about all the issues that come with property management—property taxes, hiring maintenance workers and putting together a budget for things like capital improvements.

"They have to take responsibility and really foster volunteerism among the other residents," Schuck says. "You can't complain about the owner anymore, because you are the owner. If you want flowers, you plant them yourself."

Not every park is right for this arrange-

ment, Schuck says. Parks with less than 50 percent occupancy, for example, would not bring in enough income to make the arrangement successful.

The idea of resident-owned communities has caught on nationwide, Bradley says. When ROC USA was launched in 2008, it focused on the Northeast, states like Rhode Island and Massachusetts with strong "barnraising traditions" and a "local town meeting" approach to life, he says.

But since then the trend has grown, with new communities in Texas, Montana and the Carolinas. This is a concept likely to grow in popularity, being fueled by growing interest among residents in moving to resident-owned communities, Schuck says.

"More and more people are interested in moving into manufactured home parks now that this has become sort of a prevalent thing," she says. "People want to move to ones that are resident-owned because they know the people there take an extra step; it's more of a closer community, and there is no outside investor in charge."

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