Aided by recent state legislation, a nonprofit helps preserve affordable manufactured housing in rural Oregon by organizing resident owned-cooperatives.

Residents of manufactured housing or “mobile home” parks typically own their homes but not the land they sit on. When the owner of the 33-space Vida Lea Mobile Estates, a manufactured-housing park for senior citizens in Leaburg, Oregon, wanted to sell the property, residents used a resident-owned community, or ROC, to preserve this affordable housing resource. A new hybrid homeownership and rental model, a ROC lets residents purchase and control their park, managing infrastructure, operations, and common areas. Members own their homes and rent empty spaces to generate revenue that covers debt service and operating expenses.

With financing and assistance from Community And Shelter Assistance Corporation (CASA of Oregon), the Network for Oregon Affordable Housing (NOAH), Oregon Housing and Community Services, the Community Development Law Center, and the

Eugene Water and Electric Board, residents formed the Vida Lea Community Cooperative, negotiated with the owner to buy the park, converted the park to a resident-owned community, and oversaw $275,000 of improvements and repairs to the septic system, driveways, drainage, laundry and storage facilities, and the community space.

ABOUT CASA OF OREGON

CASA of Oregon was founded in 1988 to respond to the housing needs of the state’s farmworkers and families. A community development financial institution (CDFI), CASA of Oregon works with community organizations and housing sponsors to develop housing and neighborhood facilities and to promote financial well-being through individual development accounts. It has been involved in preserving manufactured housing since 2006 and is a certified technical assistance provider for ROC USA.

Road pavement was one of several infrastructure improvements at the Vida Lea Community Cooperative. Photo / CASA of Oregon.
FINANCING THE CONVERSION

Financing for Vida Lea primarily came from a first-position loan of $700,000 from NOAH, a $435,000 second-position loan from CASA of Oregon, and a $600,000 grant from the Oregon Housing Community Services, the state’s housing finance agency. In addition, the State of Oregon carved out a section of tax credits for manufactured housing from the general housing fund, and the seller was eligible for a state capital gains tax exemption from the sale.

INNOVATIONS IN AFFORDABLE HOUSING PRESERVATION

Manufactured housing makes up some of the largest stock of unsubsidized affordable housing in Oregon, but high demand and low supply, especially in rural areas, threaten to raise costs. The ROC cooperative model stabilizes these communities for the long term and helps residents decide on actions and control costs. Because residents own their own homes, a ROC is cheaper to develop than traditional multifamily affordable projects.

State legislative reforms were crucial to the conversion of Vida Lea to a ROC. Legislation in 2007, 2009, and 2014 approved the formation of nonprofit manufactured-housing resident cooperatives and established “opportunity to purchase,” a requirement for owners to notify residents when they intend to list their park for sale and negotiate in good faith if residents are interested in buying the park. CASA of Oregon lent its technical expertise to the crafting of this legislation, which is a mechanism for preserving manufactured-housing parks. Other fiscal and policy tools, such as state capital gains tax exemptions available to those selling to co-ops and nonprofits, encourage owners to engage with these efforts.

BUILDING A NETWORK FOR RESIDENT OWNED COMMUNITIES

ROC USA was founded in 2008 to spread the lessons and methods of a successful resident ownership program developed in New Hampshire, where the New Hampshire Community Loan Fund had been providing technical assistance and predevelopment and purchase loans to manufactured-housing homeowners to form cooperatives. CASA of Oregon is one of eight certified ROC USA technical assistance providers who provide technical, training, and networking support to resident corporations throughout purchase and conversion. Over the past eight years, the ROC network has overseen the transformation of manufactured-housing parks in 14 states covering more than 10,000 homes. ROC USA also has a subsidiary, ROC USA Capital, that provides gap funding for purchase of manufactured-housing communities.

RESIDENT-OWNED COMMUNITY (ROC) MODEL

Residents own homes and share responsibility for park operations and governance through a cooperative model.