veterans . agricultural workers . grandparents . service professionals

self-reliant . retirees . volunteers . good neighbors . voters . taxpayers

Governor's Manufactured Home Park Advisory Committee Report 2008

submitted to Governor Otter February, 2008

Governor's Manufactured Home Park Advisory Committee

3113 Ridgeway Drive, Boise, Idaho 83702, 208.344.5770

February 25, 2008

The Honorable C.L. (Butch) Otter
Governor of Idaho
PO Box 83720
Boise, Idaho 83720-0034

Dear Governor Otter:

As chairperson of the Governor's Manufactured Home Park Advisory Committee, I would like to thank you for the opportunity to study the critical affordable housing issues facing many vulnerable Idahoans residing in manufactured home parks, when a sale of the park property requires that the manufactured home they occupy be relocated.

The Committee has spent the past twelve months learning from and working with appropriate State agencies in Idaho and consulting legislation and practices implemented by surrounding states. Additionally, we invited comment from local organizations, local government representatives, developers, associations, resident advocates, park owners and non-profits; all with a vested interest in participating in a collaborative effort with the State aimed at providing solutions to the challenges faced by these affected individuals.

Idaho residents have enjoyed the benefits of residing in manufactured housing as an affordable alternative to traditional housing, providing convenience and the enjoyment of their unique communities. This form of home ownership, or tenant residency, was made possible by investors providing affordable rent space in MHP communities, offering low cost amenities unique to manufactured housing communities. However, in recent years spiraling land values have required MHP owners to reconsider their investment options and opportunities, and to evaluate a rational and sensible return on their businesses.

In response to the Executive Order's mandate, our report identifies four key topics supported by background information and recommended action steps. These steps reflect that no one agency, department, or organization can fix this alone. As with other challenges that have been successfully negotiated or resolved, Idaho and Idahoans have always been able to coordinate, communicate, and collaborate for positive outcomes.

I am pleased to present this report on behalf of the Manufactured Home Park Advisory Committee and the thousands of hardworking Idahoans living independently in parks throughout this great state. Our recommendations are the result of much hard work and thoughtful deliberation; more importantly, they reflect our common goal of preserving the independent spirit of these Idahoans while preventing an additional burden on government.

Sincerely,

The 2007 Governor's Manufactured Home Park Advisory Committee

Connie Hogland, Chair

ADVISORY COMMITTEE MEMBERS

Connie Hogland
Chair, Boise

Rodney Ashby
Idaho Department of Commerce

Russ Barron
Idaho Department of Health and Welfare

Jim Birdsall
City of Boise

Beatrice Black
Neighborhood Housing Services, Inc.

Gregory Cade
Idaho State Tax Commission

Penny Fletcher
Resident Advocate, Boise

Joseph Gallegos
AARP Idaho

Kathie Garrett
Boise

Rosio Gonzalez
Catholic Charities of Idaho, Inc.

Senator Kate Kelly
Boise

Linda Lindholm
Idaho Manufactured Housing Association

Zoe Ann Olson
Idaho Legal Aid Services, Inc.

Arlene Patton
U. S. Department of Housing and Urban Development

Jane Pavek
Wells Fargo Bank

Jack Rayne
Idaho Division of Building Safety

Representative Mary Lou Shepherd
Kootenai City

Jim Tomlinson
Tomlinson & Associates

Deanna Watson
Boise City-Ada County Housing Authority

Julie Williams
Idaho Housing and Finance Association

David Wishney
Attorney, Boise

Staff Support

Rebecca Smith-Pitman
Idaho Department of Health and Welfare

Erik Kingston
Idaho Housing and Finance Association

MEDIA COVERAGE

Idaho Statesman
Thursday, December 7, 2006

Risch signs order creating mobile home park panel

Spokesman Review
Friday, August 24, 2007

Development takes toll on mobile home residents

Idaho Statesman
Thursday, March 8, 2007

Displaced residents get help from owner

Idaho Statesman
Friday, November 23, 2007

Loss of mobile-home parks 'alarming'

Idaho Statesman
Sunday, July 29, 2007

Residents face eviction from Boise trailer park

Idaho Statesman
Tuesday, December 4, 2007

Idaho native advocates for mobile home owners' rights

Spokesman Review
Wednesday, August 22, 2007

Ex-WSU LB Sacks Bayview Trailer Owners

See Exhibits section for complete list.

OBJECTIVES AND TASKS

OBJECTIVE

Provide recommendations to the Governor about the State's role in a collaborative effort aimed at helping individuals who live in manufactured homes and are forced to relocate but lack the resources to do so.

TASKS

- ❏ Investigate Idaho's Manufactured Home Ownership laws and rules sufficient to understand the critical issues facing residents when the property their home is located on is sold.
- ❏ Review the currently available resources, programs, and organizations, public, private and nonprofit in order to identify gaps, insufficiencies and/or inefficiencies.
- ❏ Examine successful state-governed initiatives and programs elsewhere to recommend cost-effective options.

affordability · independence · community

"I CHOSE TO LIVE IN A MANUFACTURED HOME PARK because it was the only home I could afford to buy that gave me a little more space and still live within a neighborhood and feel a part of a community. I was not ready to go to a small, senior apartment. In my search I was very fortunate to find Alpine Wheel Estates. A park that is 36 years old, but very pretty, well kept with a fantastic view of downtown Boise and at the moment, still a low traffic area. I have great neighbors; several have lived here for many years.

Alpine Wheel Park, Boise, ID

If the land from underneath homes that we own were to be sold, and we received eviction notices, many of us would absolutely panic. Our homes are well maintained, but they are old, and the cost to move them would be a financial hardship that most of us would be unable to absorb."

—Mona Watts, Resident
Alpine Wheel Park, Boise, Idaho

Alpine Wheel Park, Boise, ID

Alpine Wheel Park, Boise, ID

stability · choices

TABLE OF CONTENTS

Preface 1

Report Structure 2

Issues and Recommendations Sections 3

Section 1: Socio-economic Issues/Demographics 3

Section 2: Public Policy and Legislation.....4

Section 3: Education and Information 5

Section 4: Funding.....6

Exhibits 7

Exhibit 1—Idaho Housing Trust Fund 7

Exhibit 2—Resident Impact Study: California Statutes 11

Exhibit 3—Best Practices 12

Exhibit 4— Park Closure Data 13

Exhibit 5— Examples of Displacment Experiences 14

Exhibit 6— News Articles 16

The Office of the Governor

James E Risch

EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE

EXECUTIVE ORDER NO. 2006-39

CREATING THE GOVERNOR'S MANUFACTURED HOME PARK ADVISORY COMMITTEE

WHEREAS, the Office of the Governor has received numerous concerns about the complexity of the laws and rules governing manufactured home ownership; and

WHEREAS, oftentimes, Idahoans who reside in manufactured homes are elderly, on a fixed income, or are of limited means making it difficult to relocate when the property their manufactured home is located on is sold; and

WHEREAS, it is important to seek out and understand the State's role, in creating a solution to this problem;

NOW, THEREFORE, I, JAMES E. RISCH, Governor of the State of Idaho, by the authority vested in me under the Constitution and laws of the State of Idaho do hereby order the following:

1) *The creation of the Governor's Manufactured Home Park Advisory Committee (Committee).*

2) *The members of the Committee shall be appointed by and serve at the pleasure of the Governor.*

    a. *The Committee shall be composed of as many members as the Governor deems necessary and sufficient.*
    b. *The Governor shall choose the Chair of the Committee from the membership of the Committee.*

3) *The Department of Health and Welfare and Department of Commerce and Labor will staff the Committee.*

4) *The Committee is tasked with working with appropriate State agencies in Idaho and surrounding States in addition to other interested parties to make recommendations to the Governor about the State's role in a collaborative effort aimed at helping individuals who live in manufactured homes and are forced to relocate but lack the means to do so.*

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho at the Capitol in Boise on this 6th day of December in the year of our Lord two thousand and six and of the Independence of the United States of America the two hundred thirty-first and of the Statehood of Idaho the one hundred seventeenth.

Ben Ysursa

BEN YSURSA
SECRETARY OF STATE

JAMES E. RISCH
GOVERNOR

PREFACE

The goal of the report is to promote collaborative solutions aimed at helping individuals who live in manufactured homes and are forced to relocate but lack the resources to do so.

In December 2006, Governor Risch formed the Governor's Manufactured Home Park Advisory Committee through Executive Order No. 2006-39 (see copy at left) that states:

> WHEREAS, the Office of the Governor has received numerous concerns about the complexity of the laws and rules governing manufactured homeownership; and
>
> WHEREAS, oftentimes, Idahoans who reside in manufactured homes are elderly, on a fixed income, or are of limited means making it difficult to relocate when the property their manufactured home is located on is sold, and
>
> WHEREAS, it is important to seek out and understand the State's role in creating a solution to this problem;
>
> NOW, THEREFORE, I, JAMES E. RISCH, Governor of the State of Idaho, by the authority vested in me under the Constitution and laws of the State of Idaho, do hereby order the following:
>
> • The creation of the Governor's Manufactured Home Park Advisory Committee.

In the past few years, eleven manufactured home parks have closed in the Kootenai County, Coeur d'Alene area, and the residents' personal hardships have made prime time news. Residents in the State of Idaho have experienced rising real estate appreciation in all sectors of housing. This phenomenon has impacted the manufactured housing community by creating a dislocation effect for many residents. In 2005, five manufactured home parks were closed in Boise causing the displacement of more than 300 residents. In recent years, eleven manufactured home parks have closed in the Coeur d'Alene area offering stories of personal hardship that have made prime time news.

In Idaho there are over 1,100 manufactured home parks with an estimated 45,000 of these manufactured homes located on leased or rented land and therefore at risk of displacement. Every county in Idaho has manufactured home communities, and faces the issues addressed in this report.

In the majority of cases, residents of manufactured home park communites have chosen this environment as an affordable option that offers independence, self-sufficiency, and freedom from subsidies and debt. Pride of ownership regardless of the age of the manufactured home is evident in many communities. Many manufactured home park communities include residents who are elderly or disabled and may live on fixed incomes or have limited resources. Involuntary relocation impacts children by displacing them from schools, interrupting their educational environment, and disrupting early social relationships.

Thirty-eight states operate Housing Trust Funds created over ten years ago that provide critical financial resources to help mitigate emergency housing expenses, support the availability of affordable housing, and **keep families in their own homes.** The Idaho Housing Trust Fund, created in 1993 under Title 67, Chapter 81 of the Idaho Code, has never been funded.

While addressing all issues of affordable housing is beyond the scope of this committee, the lack of affordable housing and manufactured home park closings are significantly intertwined. This committee feels strongly that the availability of affordable housing for all Idahoans, including manufactured housing, is important in building strong families and communities and is critical to Idaho's ongoing economic development. Because mobile home park residents leasing land may be forced to relocate, we have chosen to characterize this reality as "at risk."

REPORT STRUCTURE

The Advisory Committee identified four major focus areas and our recommendations are grouped accordingly. Each contains three parts: an issue statement, a background statement and action recommendations to address the issue.

Socio-Economics and Demographics

Manufactured housing represents a significant share of Idaho's affordable housing stock and **it is not subsidized housing.**

Park residents are generally self-sufficient and do not receive housing assistance. Displacement of the residents and home-owners due to park closures may place a burden on public services and cause financial and emotional distress for displaced families.

Many residents comprise the local hourly workforce, as critical employees of the service industry. If forced relocation makes living affordably and close to work impossible, an economic ripple runs through Idaho's communities, exacerbating the current lack of workers to fill lower wage positions.

Public Policy and Legislation

Residents who own a home and rent the land are uniquely vulnerable to the closing of a mobile home park. Homeowners faced with involuntary relocation may be financially unable to move or rehabilitate their mobile home. With a diminishing number of parks in Idaho available, when displaced, many who are not currently using public resources may turn to services such as federal rental subsidies to survive, effectively increasing the public cost of governmental aid by displaced park residents.

Education and Information

Park owners and residents often lack knowledge and information to address the complexities involved in park closures and in relocating older manufactured homes.

Funding

A significant portion of manufactured homes was built before adoption of the federal HUD Manufactured Home Construction and Safety Standards in 1976. State law requires that these homes be rehabilitated to meet certain code requirements before they can qualify for a reinstallation building permit from local code enforcement jurisdictions. These rehabilitation costs, as well as moving and reinstallation costs for homes built both before and after 1976, can be costly to homeowners with limited resources.

Summary

The Committee acknowledges that the issues addressed are complex, and no simple solution can be proposed that will satisfy the diverse needs of park owners and tenants.

Resources are very limited at state and local levels. Although identifying potential funding sources for assistance is a worthwhile goal, no immediate remedies are available.

Finally, the Executive Order requests a focus on the State's role. Accordingly, the Committee emphasizes opportunities for the State's leadership in encouraging local solutions through city, county and state collaborations.

"The Advisory Committee believes strongly that the issues addressed in this report are critical, and that all recommended actions deserve consideration. In that effort, the language represents the best consensus of the committee. The order in which they are presented in the report is not meant to suggest prioritization."

—Connie Hogland, Chair
Governor's Manufactured Home Park Advisory Task Force

SECTION 1: SOCIO-ECONOMIC ISSUES/DEMOGRAPHICS

Issue

Manufactured housing is an affordable option for many families and individuals. Park closures present many issues: abandonment and health issues; safety issues; fears of family separation; and displacement of children from consistent school environments. Equity in homes and capital improvements may be diminished or lost upon relocation.

Background

Manufactured housing can be an affordable option for families and individuals. Manufactured homes built before 1976 may need to be rehabilitated to meet state requirements before they can be relocated. These rehabilitation costs may pose a financial burden for those with limited resources.

Among manufactured homes parks threatened by closure, neglected units may present abandonment and health and safety issues. Faced with costly rehabilitation and relocation, homeowners may choose to abandon their homes, which can then become health and safety risks as well as esthetic impediments to maintaining the desirability of the community or park.

Families fear separation and prefer to stay in communities of their choice. Moves disrupt school and employment continuity. Multiple families may pool resources to find affordable housing in manufactured home parks, and maintain communal relationships unique to their cultural, economic status and heritage.

Language barriers can inhibit communication with landlords and park managers. Translation and interpretation services are not always affordable and readily available.

When home equity is less than the cost of relocation and rehabilitation, homeowners may be displaced. This may create an acute need for emergency response by state and community agencies and Non Governmental Organizations (NGO's) charged with providing shelter and other essentials to displaced park residents.

Homeowners who rent the land are uniquely vulnerable to the closing of a mobile home park. Their rights are subordinate to those of the underlying landowner and landlord. Escalating returns on property investments caused by rising land values, coupled with increasing infrastructure maintenance costs, higher utility costs, and only moderately increasing rental income, may influence park owners to consider the alternative potential for their land presented by selling to a developer.

RECOMMENDED ACTIONS

STATE GOVERNMENT

A. Encourage cities and counties to collaborate and coordinate on education and outreach efforts associated with park closure issues. Efforts may include: resident interviews, communication with local governments, identification of available public and/or private resources, and family preservation support.

B. Encourage state and local organizations to identify and develop interpretive/translation resources.

C. Recommend that the local planning jurisdiction complete a Park Closure Impact Study. (Exhibit 2)

D. Conduct a comprehensive analysis of all manufactured housing parks in the State of Idaho by the State Tax Commission, in cooperation with local elected officials, to assist in the identification of MHP's that may be at risk and to help protect existing affordable housing facilities.

"Not only are we losing affordable housing alternatives, but we're forcing previously independent individuals to seek public assistance – be it in the form of housing vouchers or food stamps."

—Bea Black, Deputy Director
Neighborhood Housing Services, Boise, Idaho
(Idaho Statesman, March 8, 2007)

SECTION 2: PUBLIC POLICY AND LEGISLATION

Issue

Public Policy and Legislation need to be expanded at the state level to encourage funding support for Idahoans at risk of being displaced through the closure of manufactured home parks.

Background:

Every community recognizes the value of homeowners who have a vested interest in their homes and their communities. In the 1990's 30% of low-income first time homebuyers nationwide bought manufactured homes. The State, cities and counties wish to do more in their communities to address the needs of these residents and recognize the value of the affordable housing provided by manufactured home parks.

Residents who own a home and rent the land are uniquely vulnerable to the closing of a mobile home park. Unit relocation may be prohibitive due to the cost of rehabilitation, moving expenses, replacement housing, and financial impact of unit abandonment and disposal. Relocation costs alone may range from $5,000 to $15,000. Some residents may feel forced to abandon a home on which there remains a loan balance due, causing a significant financial loss and credit crisis for them, leaving no option other than to seek housing in a shrinking affordable rental housing market.

When homeowners are unable to relocate their homes due to high costs of rehabilitation and moving, or the inability to find space in the diminishing number of parks in the area, they may become more reliant on a variety of public services.

We found the Landlord Tenant Act deficient especially in addressing park closure requirements.

The Idaho Housing Trust Fund, established by the Idaho Legislature in 1993, has no funding allocated to date. Further background on this fund is provided in the Funding section of the report.

These reasons compel public policy support the maintenance and preservation of this form of affordable home ownership.

RECOMMENDED ACTIONS

STATE GOVERNMENT

A. Review and re-evaluate effectiveness of the Mobile Home Rehabilitation Act under current economic conditions.

B. Update the current Mobile Home Park Landlord Tenant Act, with particular attention to the issues associated with park closure. Those issues should include, but not be limited to, tenant and landlord liabilities for abandoned homes, requirements for written notifications of tenant and landlord rights and responsibilities, relocation compensation assistance, and grievance mechanisms for tenants and landlords.

LOCAL EMPOWERMENT

A. Enable cities and counties to create their own Housing Assistance Funds and establish local and ongoing revenue sources to capitalize those funds.

B. Encourage long-term land-use planning for manufactured homes and manufactured home park communities.

C. Encourage cities and counties to allow mobile home park communities that permit individual homeowners to purchase their own land parcels.

THE IDAHO HOUSING TRUST FUND

A. Designate an on-going revenue resource for the Fund that may come from any or all public or private entities

B. Appoint Commissioners as stipulated in Idaho Code 67-81.

C. Stipulate a restricted set-aside within the fund to hold these contributions for use in assisting homeowners with involuntary rehabilitation and relocation expenses due to park closures.

RESIDENT EMPOWERMENT

A. Consider legislation that will allow homeowners or non-profit organizations to purchase parks that are closing. Evaluate institutional and legal impediments to these efforts.

B. Consider legislation such as allowing homeowners an opportunity to match other offers within the current closure notification time line.

"The threat to mobile home living as an affordable low-cost housing alternative is alarming."

Bob Kustra, Boise State University President (Idaho Statesman, November 23, 2007)

SECTION 3: EDUCATION AND INFORMATION

Issue

Owners and tenants lack understanding about legal assistance, awareness of supportive services, and familiarity with alternative options to selling parks.

Background

When Manufactured Home Parks are sold, residents need better information resources. Currently, despite availability of information about the law, many affected individuals and families don't know what their legal rights are, and/or how to access community support services, legal or financial assistance for relocation expenses. Community leaders currently lack technical expertise and familiarity with resources. Statewide distribution of information is necessary, including referral services and training opportunities for local organizations.

We encourage identifying methods of improving owners and tenants' access to information, awareness of supportive services, information about legal assistance, and familiarity with alternative options to selling parks, such as New Hampshire's aggressively promoted resident-owned mobile home cooperatives.

RECOMMENDED ACTIONS

INFORMATION RESOURCES. Update key information resources and encourage broad distribution and availability. Potential residents must be informed prior to leasing in a park, that the land on which they are placing their unit may be sold at any time.

A. Update Landlord Tenant Guidelines summary booklet and make Guidelines available on the Attorney General's website. Attorney General should update the published booklet taken from the Mobile Home Landlord Tenant Act, encouraging its availability in both English and Spanish.

B. Encourage Attorney General and Idaho Legal Aid Services to update "The Rights of Mobile Home Tenants" in English and Spanish, listing benefits, rights and responsibilities, and issues to be considered when renting or purchasing a manufactured home.

C. Make booklet widely available in county offices, and on State, County and City websites including Access Idaho.

INFORMATION REFERRAL SYSTEM

A. Expand "Idaho's Housing Hotline" services to assist at-risk families by providing necessary referrals to key information to allow them to help themselves.

B. Authorize one organization to provide a "clearing house" for information, data collection, education and referral support.

C. Encourage collaborative statewide training for rural community assistance organizations, agencies and lenders. Standardize educational materials and provide them to both landlords and tenants.

"My goal…is I want to require that the Idaho mobile home park landlord tenant act is distributed to every single mobile home owner in every single mobile home park in Idaho. I would guess 99.9 percent of all those people who live in mobile homes; none of those people know what the landlord tenant act says."

Penny Fletcher, Advocate for Mobile home owners
(Idaho Statesman, December 4, 2007)

SECTION 4: FUNDING

Issue

Displaced residents may lack financial resources to relocate their homes when parks are sold.

Background

In many cases, residents of manufactured home parks have chosen this environment as an affordable option that offers independence, self sufficiency and freedom from subsidies. Many park residents are elderly, may be disabled and have limited financial resources.

Current affordable housing inventory in the form of manufactured home parks is being depleted due to park closures. Park closures may occur due to park owner retirement, increased operating costs, the need for major capital improvements or opportunities to improve the owner's return on investment.

When parks are sold for any reason, vital affordable housing resources are lost to the community and residents may be forced into financial hardship, which may place a burden on public resources.

Many parks will not take older homes, and may impose certain standards on the condition of the homes they will accept. The cost to bring some homes up to those standards may be prohibitive, further reducing the options available to displaced homeowners.

*"The housing trust fund movement is only three decades old, but in campaigns ranging from small communities to extensive statewide efforts; it is of sufficient proportion to shift our perspective – asserting that good housing is fundamental to the health of every community. The number of housing trust funds has tripled in the last four years. The homeless, seniors on fixed incomes, families working for too little in wages, individuals with special needs, all rely on the potential these funds have to offer, as do all of us who cannot afford what the market provides." Housing Trust Fund Progress Report – 2007" prepared by Housing Trust Fund Project Center for Community Change.", **www.communitychange.org***

The Idaho Housing Trust Fund was established by the Idaho Legislature in 1993, under Title 67, Chapter 81 of the Idaho Code.

"The legislature declares that it is therefore in the public interest to provide for a continuously renewable resource known as a housing trust fund from the private and/or public moneys to assist low-income citizens in meeting their basic housing needs, and that the needs of low-income citizens should be given priority."

The Statute provides for the establishment of an advisory commission of seven (7) members, appointed by the Governor from designated representative stakeholder industries, agencies, and organizations.

It identifies the Idaho Housing and Finance Association as the administrative entity, under the guidance of the Advisory Commission.

RECOMMENDED ACTIONS

We suggest that the Governor appoint a subsequent special committee or task force to research other states' Best Practices and administrative efficacy regarding a variety of potential funding actions (Exhibit 3) such as:

THE IDAHO HOUSING TRUST FUND

State government should consider adopting a collaborative strategy similar to 38 other states' with dedicated revenue sources to go into the Idaho Housing Trust Fund (IHTF).

Potential Sources:

State Government

A. Evaluate imposing a small surcharge on real estate recording fees, similar to the state of Washington, with a portion directed to the IHTF.

B. Authorize a one-time General Fund appropriation adequate to meet current emergency needs, and establish an on-going matching contribution requirement for residents and park owners, directed to the IHTF.

C. Evaluate allocating a portion of unclaimed property funds to the IHTF.

D. Evaluate designating a portion of earnings on rental security deposits to the IHTF.

Municipalities/Local Government

A. Consider allocating a portion of fees collected by local governments to the IHTF, and designating those to assist in the local area.

B. Evaluate the use of Tax Increment Financing to provide for relocation of homes involuntarily displaced due to park closures.

FINANCIAL INCENTIVES

State Government

Consider providing park owners and land developers a tax credit equal to the amount of voluntary relocation benefits paid to residents.

Municipalities/Local Governments

A. Encourage incentives for manufactured housing developments such as waiver or reduction of fees on new parks intended to help absorb residents that are displaced due to park closures.

B. Consider providing tax incentives to park owners to accept older manufactured homes.

EXHIBIT 1—IDAHO HOUSING TRUST FUND

TITLE 67 STATE GOVERNMENT AND STATE AFFAIRS

CHAPTER 81 IDAHO HOUSING TRUST FUND

67-8101 PURPOSE

67-8102 DEFINITIONS

67-8103 USE OF FUNDS FOR LOANS AND GRANT PROJECTS TO PROVIDE HOUSING -- ELIGIBLE ACTIVITIES

67-8104 ELIGIBLE ORGANIZATION

67-8105 NOTICE OF GRANT AND LOAN APPLICATION PERIOD -- PRIORITIES -- CRITERIA FOR EVALUATION

67-8106 ADVISORY COMMISSION

67-8107 ASSOCIATION TO IMPLEMENT THE ALLOCATION PLAN

67-8108 PRECONSTRUCTION TECHNICAL ASSISTANCE

67-8109 COMPLIANCE MONITORING

67-8101. PURPOSE. The legislature finds that current economic conditions, federal housing policies and declining resources at the federal, state, and local level adversely affect the ability of low-income and very low-income persons to obtain safe, decent and affordable housing.

The legislature further finds that the state will lose substantial sums allocated to it by the federal government for affordable housing for low-income and very low-income households under the home program and similar funding programs unless matching funds are provided.

The legislature declares that it is therefore in the public interest to provide for a continuously renewable resource known as a housing trust fund from the private and/or public moneys to assist low-income and very low-income citizens in meeting their basic housing needs, and that the needs of very low-income citizens should be given priority.

67-8102. DEFINITIONS. As used in this chapter:

(1) "Advisory commission" means the housing trust fund advisory commission established in section 67-8106, Idaho Code.

(2) "Advocacy organization" means a not-for-profit organization which conducts, in part or in whole, activities to influence public policy on behalf of low-income or very low-income households.

(3) "Association" means the Idaho housing and finance association.

(4) "Allocation plan" means the plan, approved and revised annually by the advisory commission, providing for the method and priorities of allocation of housing trust fund moneys and providing the procedures for loan and grant application for housing trust fund moneys.

(5) "Community-based organization" means a not-for-profit entity whose governing body includes a majority of members who reside in the community served by the organization.

(6) "Director" means the executive director of the Idaho Housing and Finance Association.

(7) "Home program" means the housing funding program authorized under title II of the Cranston-Gonzalez national affordable housing act (P.L. 101-625).

(8) "Housing trust fund" means the moneys transmitted to the association by state, federal, local or private sources, and so designated for such purpose.

(9) "Low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than fifty percent (50%), but less than eighty percent (80%), of the median income of the area of residence, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States department of housing and urban development for purposes of the home program, or if such program ceases to be funded, then for purposes of section 8 of the U.S. housing act of 1937.

(10) "Very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than fifty percent (50%) of the median income of the area of residence, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States department of housing and urban development for purposes of the home program, or if such program ceases to be funded, then for purposes of section 8 of the U.S. housing act of 1937.

67-8103. USE OF FUNDS FOR LOANS AND GRANT PROJECTS TO PROVIDE HOUSING -- ELIGIBLE ACTIVITIES. (1) The association shall use at least seventy-five percent (75%) of funds from the housing trust fund to assist very low-income households.

(2) Activities eligible for assistance include, but are not limited to:

(a) New construction, rehabilitation, or acquisition of housing units for occupancy by low-income and very low-income households;

(b) Rent subsidies in new construction or rehabilitated multifamily units for low-income and very low-income households;

(c) Matching funds for social services directly related to providing housing for special-need tenants in assisted projects for low-income and very low-income households;

(d) Technical assistance, design and finance services and consultation and administrative costs for eligible nonprofit community or neighborhood-based organizations;

(e) Administrative costs for housing assistance groups or organizations which provide housing when such grant or loan will substantially increase the recipient's access to housing funds other than those available under this chapter;

(f) Shelters and related services for the homeless;

(g) Mortgage subsidies for new construction or rehabilitation of eligible multifamily units for low-income and very low-income households; (h) Mortgage insurance or guarantees for eligible projects for low-income and very low-income households;

(i) Acquisition of housing units for the purpose of preservation as housing for low-income and very low-income households; and

(j) The association may use money from the housing trust fund account to match federal, local, or private money, including without limitation the home program funds, to be used for projects authorized under this chapter.

(3) The association may use money from the [the] housing trust fund account to pay reasonable expenses incurred in connection with the provisions of this chapter.

67-8104. ELIGIBLE ORGANIZATION. Organizations that may receive assistance from the association under the provisions of this chapter are local governments, local housing authorities, nonprofit community or neighborhood-based organizations, and regional or statewide nonprofit housing assistance or advocacy organizations, and for-profit housing developers.

67-8105. NOTICE OF GRANT AND LOAN APPLICATION PERIOD -- PRIORITIES -- CRITERIA FOR EVALUATION. (1) During each calendar year in which funds are available for use by the association from the housing trust fund, the association shall announce to all known interested parties and through major media in each of the seven (7) planning regions of the state, the grant and loan application period specified in the current allocation plan of the advisory commission in the manner specified in the allocation plan.

(2) The association shall give preference for applications based on the following criteria or other criteria:

(a) The degree funds will be used to match other funds;

(b) Recipient contributions to total project costs and contributions from other sources such as professional, craft and trade services, as well as lender interest rate subsidies;

(c) Local government project contributions in the form of infrastructure improvements, fee waivers and others;

(d) Projects that encourage ownership, management, and other project-related responsibility opportunities for tenants;

(e) Projects that demonstrate a strong probability of serving the original target group or income level for a period of at least forty (40) years;

(f) The demonstrated ability, stability and resources to implement the project;

(g) Projects which demonstrate serving the greatest need;

(h) Projects that provide housing for persons and families with the lowest incomes; and

(i) Projects to be owned by nonprofit organizations.

67-8106. ADVISORY COMMISSION. There is hereby created the Idaho housing trust fund advisory commission. The advisory commission shall consist of seven (7) members, appointed by the governor. At least two (2) members shall be representatives of advocacy organizations or community-based organizations engaged in the development or operation of housing for low-income and very low-income households. Two (2) of the members shall represent the real estate brokers, one (1) member from the Idaho association of realtors, and one (1) member from the Idaho real estate commission. One (1) member shall represent the association; one (1) member shall represent the Idaho department of commerce; and one (1) member shall represent the Idaho department of health and welfare. The advisory commission shall, if possible, have at least one (1) member from each of the seven (7) planning regions of the state. Members appointed to the commission shall serve a term of two (2) years. However, four (4) members first appointed under the provisions of this chapter shall serve a term of one (1) year, and three (3) members shall serve a term of two (2) years. Individual terms shall be chosen by lot at the initial meeting of the advisory commission. Members of the advisory commission shall not be entitled to compensation, but shall receive reimbursement for actual and reasonable expenses incurred in the performance of their duties. The advisory commission shall meet at least annually and its duties and responsibilities are:

(1) To review and approve annually an allocation plan and a proposed budget therefore submitted by the association setting forth priorities, policies and procedures for the year’s expenditure of housing trust fund moneys, including policies which assure equitable distribution of funds statewide;

(2) Prior to approving the allocation plan, to publish notice of the proposed plan, requesting written comments thereon and holding one (1) or more public hearings thereon to solicit public comment;
(3) To monitor and review all allocations of funds under the housing trust fund;
(4) To make recommendations to the legislature for further legislation that may be necessary in the area of affordable housing.

67-8107. ASSOCIATION TO IMPLEMENT THE ALLOCATION PLAN. The association shall implement the procedures and policies as set forth in the allocation plan and may use its discretion in interpreting the allocation plan. The association shall not be required to implement an allocation plan of the advisory commission which it deems to be too costly to administer or which the association deems not consistent with its legislative mandate under the provisions of chapter 62, title 67, Idaho Code.

67-8108. PRECONSTRUCTION TECHNICAL ASSISTANCE. (1) The association may use moneys from the housing trust fund to provide preconstruction technical assistance to eligible recipients seeking to construct, rehabilitate, or finance housing-related services for the low-income and very low-income persons. In so doing, the association shall emphasize providing preconstruction technical assistance services to rural areas and small cities and towns. The association may contract with nonprofit organizations to provide this technical assistance. The association may contract for any of the following services:
(a) Financial planning and packaging for housing projects, including alternative ownership programs, such as limited equity partnerships and syndications;
(b) Project design, architectural planning and siting;
(c) Compliance with planning requirements;
(d) Securing matching resources for project developments;
(e) Maximizing local government contributions to project development in the form of land donations, infrastructure improvements, waivers of development fees, locally and state-managed funds, zoning variances, or creative local planning;
(f) Coordination with local planning, economic development, and environmental, social service and recreational activities;
(g) Construction and materials management; and
(h) Project maintenance and management.
(2) The association may publish requests for proposals which specify contract performance standards, award criteria and contractor requirements. In evaluating proposals, the association shall consider the ability of the contractor to provide technical assistance to low-income and very low-income persons and to persons with special housing needs.

67-8109. COMPLIANCE MONITORING. The director shall monitor the activities of recipients of grants and loans under the provisions of this chapter to determine compliance with the terms and conditions set forth in its application or stated by the association in connection with the grant or loan.

EXHIBIT 2—RESIDENT IMPACT STUDY: CALIFORNIA STATUTES

Resident Impact Study-California statutes

65863.7. (a) Prior to the conversion of a mobile home park to another use, except pursuant to the Subdivision Map Act (Division 2(commencing with Section 66410) of Title **7**), or prior to closure of a mobile home park or cessation of use of the land as a mobile home park, the person or entity proposing the change in use shall file a report on the impact of the conversion, closure, or cessation of use upon the displaced residents of the mobile home park to be converted or closed. In determining the impact of the conversion, closure, or cessation of use on displaced mobile home park residents, the report shall address the availability of adequate replacement housing in mobile home parks and relocation costs.

(b) The person proposing the change in use shall provide a copy of the report to a resident of each mobile home in the mobile home park at least 15 days prior to the hearing, if any, on the impact report by the advisory agency, or if there is no advisory agency, by the legislative body.

(c) When the impact report is filed prior to the closure or cessation of use, the person or entity proposing the change shall provide a copy of the report to a resident of each mobile home in the mobile home park at the same time as the notice of the change is provided to the residents pursuant to paragraph (2) of subdivision (f) of Section 798.56 of the Civil Code.

(d) When the impact report is filed prior to the closure or cessation of use, the person or entity filing the report or park resident may request, and shall have a right to, a hearing before the legislative body on the sufficiency of the report.

(e) The legislative body, or its delegated advisory agency, shall review the report, prior to any change of use, and may require, as a condition of the change, the person or entity to take steps to mitigate any adverse impact of the conversion, closure, or cessation of use on the ability of displaced mobile home park residents to find adequate housing in a mobile home park. The steps required to be taken to mitigate shall not exceed the reasonable costs of relocation.

(f) If the closure or cessation of use of a mobile home park results from an adjudication of bankruptcy, the provisions of this section shall not be applicable.

(g) The legislative body may establish reasonable fees pursuant to Section 66016 to cover any costs incurred by the local agency in implementing this section and Section **65863**.8. Those fees shall be paid by the person or entity proposing the change in use.

(h) This section is applicable to charter cities.

(i) This section is applicable when the closure, cessation, or change of use is the result of a decision by a local governmental entity or planning agency not to renew a conditional use permit or zoning variance under which the mobile home park has operated, or as a result of any other zoning or planning decision, action, or inaction. In this case, the local governmental agency is the person proposing the change in use for the purposes of preparing the impact report required by this section and is required to take steps to mitigate the adverse impact of the change as may be required in subdivision (e).

(j) This section is applicable when the closure, cessation, or change of use is the result of a decision by an enforcement agency, as defined in Section 18207 of the Health and Safety Code, to suspend the permit to operate the mobile home park. In this case, the mobile home park owner is the person proposing the change in use for purposes of preparing the impact report required by this section and is required to take steps to mitigate the adverse impact of the change as may be required in subdivision (e).

EXHIBIT 3—BEST PRACTICES

ARIZONA

The Housing Trust Fund consists of monies designated from unclaimed property.

In approving expenditures, priorities are given for operating, constructing or renovating facilities for low-income families and shelter for families with children.

- 10% is set aside for serving rural areas.
- An annual report to the Legislature is required.

"Straight Talk about Manufactured Home Community Living in Arizona" Informational disclosure

OREGON

Manufactured home owners receive a one-time personal income tax credit of up to $10,000 over 3 – 5 years if they have to move their home valued at less than $110,000, due to a park closure.

The park owner must pay the cost of moving and set-up, or $3,500, whichever is less, if they provide less than 365 days' notice of sale to the resident, but more than 180 days' notice.

NEVADA

In 1991, the Legislature committed funds from the State's real estate transfer tax to The Housing Trust Fund. The Fund serves low income housing activities and serves as a match for required federally funded programs.

When real estate is transferred, a tax equal to $.10 of every $500.00 of the unencumbered assessed value is paid into the Trust Fund.

The Fund was not accessible to requests until it accumulated a value of $1,500,000.00

NEW HAMPSHIRE

In 1988, the Legislature appropriated $4,000,000 for acquisition, development, and preservation of low income housing to The Housing Trust Fund, which provides loans and grants. The Fund has been replenished through:

- Program Income
- Tax Exempt Bond Fees
- Reinvested Earnings on the Fund
- Periodic State Appropriations

WASHINGTON

"2060 Funds." A program created by the Legislature, to dedicate funds to housing programs for extremely low-income persons.

Imposes a $10 surcharge per transaction on real estate documents recording fees.

(County auditors are required to charge a $10 surcharge on real property documents' recording, but not to assignments of previously recorded deeds of trust. County auditors retain 5% of collected funds for administration costs, 60% of remaining collected funds must be used by counties and cities for low-income housing projects. The remaining 35% is transferred to the Housing Trust Fund.)

Park Closure Data
2006 – 2008, Treasure Valley
Data compiled from case work done by Task Force Participants

Park Name	# Spaces	# Occupied spaces	# Renters	# Homeowners	# Requiring case management	# Requiring $ to relocate	Total individuals displaced	Park owner assistance offered/Comments
Coffee, Garden City	24	13	1	12	13	4	18	NONE By the time SAGE was involved, many families had already vacated the park.
Overland, Boise	21	18	6	12	26 families (multiple families in one trailer)	19 – all low income	55	NONE This park was closed down by the City because of life and safety issues that the owner refused to correct in a timely fashion.
Cloverleaf, Boise	35	35	30	5	19	1	87	The owner of this park approached the City to request assistance in helping to relocate his residents. He offered his residents an amount to include their security deposit and two months rent. He also offered to buy manufactured homes from those who owned their homes, all but one of the 5 took him up on this offer.
Thunderbird, Boise	35	27	7	21	24	20	77	The purchaser of this park approached the City to request assistance in helping to relocate the residents. They offered up to $1900 depending on date of move-out. Maximum amount was offered to those that stayed until the last possible date – 1/31/08.

* All figures reflect total households affected – except the final column which talks about total number of individuals displaced.

EXHIBIT 5—EXAMPLES OF DISPLACEMENT EXPERIENCES

Idaho's toll-free Housing Hotline routinely receives calls from mobile home park tenants being displaced by park closures, sales, policy changes or fee increases unaffordable to those on fixed incomes. Mobile home parks are like most neighborhoods—they provide a sense of community and family for their residents. Park closures not only threaten housing, they eliminate critical supportive social networks that allow many residents to function without public assistance. The following examples illustrate the direct and indirect impacts on lives and communities, and provide a glimpse into the public resources required when households are displaced.

Scenario # 1:

Three adults, all living together and sharing a manufactured home owned by one of them, in order to keep their living expenses as low as possible, were devastated to hear that their park was closing. For more than seven years they had lived quietly in the home, enjoying the tranquility, camaraderie and security of a closely knit community. Upon news of impending displacement, one of them suffered a severe anxiety attack resulting in hospitalization and a $9,000 bill. Another took to her bed and refused to deal with the reality of having to move. Only through extensive case management outreach offering validation and action plan support were they able to overcome their situational "paralysis" and try to find a place to live. Ironically, their action plan allowed them to purchase another manufactured home and move into a different park, leaving them still "at risk" of another park closure dislocation event in the future.

Scenario #2:

One of the last individuals to leave a Garden City manufactured home community that was closing was a single, mentally disabled man who owned his trailer and lived only with his dog. Finding housing alternatives that were both affordable and allowed his dog was a problem. His employment was sporadic, which wasn't a problem until he was forced to move and try to buy or rent housing.

Due to his disability, he received a supportive housing voucher within three months of applying for the waiting list. In the meantime, his only option was to move into the men's shelter, requiring him to leave his dog alone in his trailer. For awhile he was able to drive daily to be with her and to feed her – but then his car broke down. With no money to repair the car, he rode his bicycle from the shelter to care for her. Then someone stole his bicycle. Other than abandoning her, his only alternative was to move his dog into his car – parked where he could tend to her daily.

When the weather became colder, one of the individuals helping him to secure housing temporarily moved his dog into her home. By the time he received the voucher, he was emotionally and mentally paralyzed – causing it to take another three months for him to find a place that would allow his dog, where he felt comfortable.

Although he now has a home to rent, he lost everything through this displacement process. Not being able to pay rent on the storage space, he lost the items in storage, plus the ability to use that storage place for other items he might have moved from his home. The only thing he was able to salvage was his dog – and that only through the kindness of an empathetic stranger!

Scenario #3:

An older disabled couple with health issues, and only part-time employment for the sole provider, lived in a Garden City manufactured home community for over 20 years. They owned their home and felt secure, having been told by the original owner that they would never have to worry about the land being sold out from under them. When the owner died, his heirs sold the land to a developer, which resulted in a 180 day Notice to Vacate due to park closure.

After their initial shock and incredulity subsided and the reality started to sink in, they realized their options were limited. The cost of going from a nominal monthly payment for lot rent to any type of rental situation was going to be a hardship, and would eliminate their independent lifestyle. Fortunately, through community

assistance, they were able to purchase a different older home in another manufactured home community, and receive physical assistance in moving their possessions. They were also fortunate in that this time, their home is located in a park owned by a provider of affordable housing and not likely to be sold out from under them.

Note. These homeowners were relocated to the Mello Dee Thornton manufactured home park, a one-of-a-kind collaboration among several entities using a variety of one-time funds. The park is owned and managed by Neighborhood Housing Services, a nonprofit housing organization that will maintain the park in perpetuity. It is highly unlikely that a similar scenario would be available elsewhere.

Summary:

These homeowners are the lucky ones. Thanks to the availability of limited HUD Community Development Block Grant (CDBG) funds and HUD Section 8 Housing Choice Voucher program rental assistance, these households received case management as well as financial assistance services. Without these, some would likely have developed severe physical problems and ended up in a homeless shelter dependent upon public resources. Although two are currently living in another manufactured home park, and one is now renting rather than living in his own home, they have remained relatively self-sufficient.

It cannot be stressed enough that many—forced to leave the homes they had purchased in good faith—were unprepared financially or emotionally to deal with relocation choices and requirements. Today, those who currently reside in homes they own on rented land in Idaho's parks may be aware of the risk they face, but are unprepared for such an eventuality due to lack of effective disclosure over the past years. Idaho's supply of public resource dollars is inadequate to serve as an effective safety net for all the families facing this potential displacement. Precious dollars are already committed to a variety of affordable housing rental assistance, development and preservation efforts statewide.

Idaho's many housing professionals are committed to cultivating efficient local solutions that promote independence and stability. A lasting solution requires leadership, vision and investment to avoid unnecessary and devastating financial and social costs in years to come. When we create a foundation to preserve this simple and effective housing option, everybody wins.

EXHIBIT 6—NEWS ARTICLES INDEX

Residents of Garden City mobile home park evicted
Coffey tenants, many aging or ailing, are latest in Boise area to have mobile home sites sold for development

Idaho Statesman, August 15, 2006

Web site helps evicted residents
Boise couple building network of resources to assist Coffey Mobile Home Park residents

Idaho Statesman, August 26, 2006

Help may be on the way for residents of mobile home park
Nonprofit group requests $90,000 grant as Albertsons gives $1,250 and a Boise businessman pledges $5,000

Idaho Statesman, September 26, 2006

Risch may approve grant today
Coffey Mobile Home Park residents must remove homes by Saturday

Idaho Statesman, September 28, 2006

Coffey residents are getting aid to move. Now they need time.
Donations still needed

Idaho Statesman, September 29, 2006

Boise threatens to cut power to trailer park
Landlord says he needs more time to make required upgrades to meet safety codes

Idaho Statesman, October 26, 2006

Warrant issued for trailer park owner
City officials decide to wait a week before cutting power so residents can find other places to live

Idaho Statesman, October 28, 2006

Boise cuts power to Overland Trailer Park
City official says court cannot reopen until owner fixes numerous violations

Idaho Statesman, November 4, 2006

Risch expected to form panel to assist those displaced when mobile home park closes

Idaho Statesman, December 6, 2006

Risch signs order creating mobile home park panel

Idaho Statesman, December 7, 2006

Displaced residents get help from owner
Housing officials call efforts on behalf of Cloverleaf mobile home tenants a model for future park conversions

Idaho Statesman, March 8, 2007

Another mobile home park to close in Boise
Developer says residents will get more than 6 months' notice when Thunderbird Park closes

Idaho Statesman, March 23, 2007

Residents face eviction from Boise trailer park
Thunderbird owner is selling the land for development. The city has offered aid, but some residents want more

Idaho Statesman, July, 29, 2007

Mobile home park residents face eviction
Governor's commission eyes solutions

Idaho Statesman, August 17, 2007

Flash: Ex-WSU LB Sacks Bayview Trailer Owners

Spokesman Review, August 22, 2007

Development takes toll on mobile home residents

Spokesman Review, August 24, 2007

Loss of mobile home parks "alarming"
A BSU study finds that 1,300 households have been forced out since 2001

Idaho Statesman, November 23, 2007

Idaho native advocates for mobile home owners' rights
Penny Fletcher says her work gives her strength to battle cancer

Idaho Statesman, December 4, 2007

"Mobile home parks are occupied by some of the most vulnerable people in our society. We can't just turn our heads and look the other way."

—Governor James Risch
Idaho Statesman, December 7, 2006

Governor's Manufactured Home Park Advisory Committee—2008