

## Transcript

FHEO Table Talks Series: Enhancing the Wealth-Building Potential of Manufactured Housing

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Speakers: **Paul Bradley**, President of ROC USA and **Doug Ryan**, President of Policy and Applied Research at Prosperity Now

**Jordan Ghasemi:** Hello, and welcome to another episode of the FHEO Table Talks Series. I'm your host, Jordan Ghasemi, RAD Team Lead for the Program Standards and Compliance Division in HUD's office for Fair Housing and Equal Opportunity. In the Table Talks Series, we speak with trusted community voices and experts across the nation in order to share their insights with HUD grantees and stakeholders. Today's Table Talk focuses on the potential role manufactured housing can play in addressing the racial wealth gap and providing safe and affordable housing in communities across the U.S. We will also discuss barriers that limit their wealth-building potential and what communities can do to address those barriers.

I am pleased to be joined by Paul Bradley, President of ROC USA, a nationwide network that promotes resident ownership of manufactured housing communities. We also welcome Doug Ryan, President of Policy and Applied Research at Prosperity Now, an organization dedicated to closing the wealth gap and promoting prosperity for everyone. Paul and Doug, thank you so much for taking the time out of your busy schedules to be with us today. I am excited for our audience to hear about your perspective on manufactured housing as a tool for building wealth.

Let's get to the questions. My first question is for both of you. Our discussion today focuses on manufactured housing. While over 70 million Americans live in manufactured homes, many other Americans have negative perceptions of this type of housing. Given that, what would you like our viewers to understand about manufactured housing? Doug, why don't you go first and then we'll hear from Paul.

**Doug Ryan:** Right, so there's a couple of things. There's lots of things that we should all know about manufactured housing. First of all, first and foremost, is that it has to be part of the affordable housing solution in this country. We are in an affordable housing and housing crisis writ large, and the solution, the primary solution to that, is building more housing. And one way to build more housing to meet the needs and the demand of the market, is to build it more efficiently. Manufactured housing, because it is built in a factory, is less expensive to build, it has less waste, and can be built more quickly than site-built housing and that is really, really important in this day and age. And it can also be made to fit in to all sorts of community design and have a whole bunch of features that people expect these days and all those kinds of things and that's really important. And the other thing that people need to know is that just like site-built housing, factory-built housing, manufactured housing can appreciate and does appreciate just like its peer housing types because it really depends on the market and the demand for housing in that particular region or community. And that's really, really important. Those are a couple key takeaways. And then finally as a lot of the country is rightly focused on climate change, the inherent efficiency of new manufactured housing, and really manufactured housing built over the past couple of

decades, is really, really key and can also pass on savings to the homeowner, to the families living in those units. So those are a couple of key takeaways.

**Jordan Ghasemi:** Great. Paul, how about you?

**Paul Bradley:** Well, I think listeners should think about the history of this housing stock and recognize that this is a 70+ year-old industry, a 70+ year-old housing stock, really, that has been evolving over that period of time. Of course, HUD played a significant role in 1976 with Congress's adoption of the HUD code, which really separated today what we know as the recreational vehicle industry – campers and manufactured homes, built, factory-built as Doug noted, for permanent residency. Prior to that, RVs and mobile homes were built and almost synonymous- and for today's folks, people around today recognize that the housing stock is all of those things, still. We can still go and find some 1960s Coachmens in mobile home parks across the country, and we can step into some manufactured home communities with 2002 models that people would have a hard time differentiating from site-built housing. And the fact of the matter is that the mobile home and manufactured home industry is all of those things. And a lot of people get hung up on the metal-on-metal, metal-rolled roofs, metal-sided, Jalousie window version of the unit and aren't as up to date on current manufacturing standards or manufactured housing, or even recognize that it's the same industry, but in fact it is.

**Jordan Ghasemi:** Thank you both for helping us learn about some of the positive attributes of manufactured housing. I would like to take a moment to let our viewers that HUD's Office of Manufactured Housing Programs is a great resource to learn about how HUD ensures manufactured homes are designed to be safe, durable, and affordable. Recently, HUD proposed updates to its manufactured home construction and safety standards, with the goal of increasing production and purchase of this relatively affordable housing type. You can learn more about this in the link to the Office of Manufactured Housing Programs in the list of resources for this episode on the HUD Exchange Table Talks Series website.

Paul, my next question is for you. Can you talk about the wealth-building implications of manufactured housing built on land owned directly by the owner versus land owned by the landlord?

**Paul Bradley:** Sure can, Jordan. There was a fairly substantial piece of research done just under 20 years ago by Consumer Union that looked at that very question: manufactured housing on its own land versus manufactured housing on rented land, or in mobile home parks or manufactured home communities. And what it found is that homes on their own land appreciate, as Doug noted, in very similar ways to site-built housing on owned land. For homes in communities, less reliable appreciation. However, there was detectable appreciation and really that comes down to access to financing and security of land tenure in terms of the performance of homes on rented land and their price performance over time. And that's really key. I think tying a little bit to the first question, I think it's important for listeners to differentiate manufactured housing on its own land versus manufactured housing in communities and the issues, and the policy solutions and market solutions differ for those two segments, and that's just another important element of understanding the industry structure and house-price performance.

**Jordan Ghasemi:** Thank you for that, Paul. It's important for our viewers to be aware for residents of manufactured housing to build wealth, they should control the land where their home is located. Doug, I want to turn to you for my next question. Can you talk about where manufactured housing communities

have been located and whether there have been wealth building or equity implications for today's residents of manufactured housing communities?

**Doug Ryan:** Absolutely, that's key question because that speaks to the history of how we site housing and how we site affordable housing in this country and that's a difficult history that we have to come to terms with, and I think we are starting to in this country when we think about redlining and zoning and things like that. So as for manufactured housing or older, prior to that, mobile homes parks, what they're often called if they were built in '50s, '60s or in the early '70s, when some of the older parks were sited, it's important to understand how they were sited. These communities exist across the country, across the 48 states and in Alaska, so they're everywhere. They've often been sited outside of traditional residential areas. While communities are zoned for single family or multi-family or duplexes or the like for residential housing, often manufactured housing communities or mobile home parks are sited in industrial areas or non-residential areas or unspecified use or unincorporated parts of a city or a county in order to keep them outside of the public view in many ways. But what that did, it has implications for the families that are living there, not only on their wealth building capacity, which is absolutely negatively impacted, but also on their access to amenities. When you don't have access to local amenities, such as health services, educational services, transit, good transportation options, and of course jobs, you really are putting an impediment to the community's ability to build wealth, grow, and become healthy, and also interact as part of a larger community. And that's what we've seen across the country. Often you would see manufactured housing communities or mobile home parks sited in risky areas. About a decade ago, north of Denver there were terrible floods that impacted parks and communities because they were sited in the floodplain, where you wouldn't have put other housing. We saw the devastating impact of wildfires out west on manufactured housing and mobile home parks in the western states, in part because of the way they're sited. When you're sited in isolation, you're often sited from the services that can help keep communities safe and including, for example, fire departments and police services and health services. So, all these things are really important, and whether or not it was intentionally sited, and that's debatable—I'd argue that in many cases they were — the fact remains that these communities remain isolated from the amenities and services that are vital to making communities thrive.

**Jordan Ghasemi:** Thanks, Doug. I hope our viewers will look into where manufactured housing has typically been located in their respective communities and how that affects residents' equitable access to opportunity today. Paul, I want to turn back to you for my next question. As I stated earlier, you are the president of ROC USA. "ROC" stands for resident owned community. Can you explain what that means and how a resident-owned community is different from other manufactured housing communities? Additionally, what lessons have you learned about helping resident transition from leasing the land their home sits on to co-owning that land?

**Paul Bradley:** Happy to Jordan. First, let's define a manufactured home community. In jurisdictions across the country, it basically comes to a single parcel of land with a minimum of two to four or more manufactured homes that are placed on the land of another, that is- generally speaking, people own their homes but rent the home site from the owner of that parcel of land or a commercial investor that owns the manufactured home community. Resident owned communities simply are homeowners forming a cooperative or a democratic corporation to buy that single parcel of land on the one-member, one-share, one-vote basis so that they remove that property from the speculative real estate market and own it as a community of homeowners. In effectively it aligns the ownerships between the home

and the land, and it is a way for homeowners to gain control over the future of that property, both in terms of cost as well as condition and long-term security. ROC USA is a national nonprofit. We operate now in all 49 continental states providing technical assistance services as well as financing to help limited equity cooperative purchase their own land. We're a national network of now 294 resident-owned communities, about 21,000 homeowners in 21 states. And what we've learned really, because our work stems from work in New Hampshire dating back 38 years now, is that often overlooked are the capabilities and the motivations of homeowners in these communities, and with the housing crisis that Doug raised earlier just now affecting all markets in the country, homeowners are eager for the opportunity to gain control of their homes. Early in our history, educating homeowners and homeowners' motivation to purchase the land- there was less fervor for it. Certainly, those earlier groups are benefiting now. They've been removed from the speculative real estate market for a long time and are very affordable communities, but communities now, when they are given the opportunity, they jump on it. So, I would say our biggest lesson learned is don't assume that a group of homeowners isn't capable or won't have the motivation but to go and when, we can present the opportunity to purchase, which requires the seller, the community owner, to give us that permission, but when they presented an opportunity for purchase, they're eager to get together and do that.

**Jordan Ghasemi:** I appreciate that. It's interesting to see there's a vast network of resident owned communities across the country and that homeowners in these communities are as enthusiastic about owning their homes as any other home buyer. Doug, your organization, Prosperity Now, has a mission to build an economy that is just, fair, and free from structural racism- where every person, family, and community has the power to build sustainable wealth and prosperity. Can you talk about how you see manufactured housing supporting your mission and what role manufactured housing can play in reducing the racial wealth gap?

**Doug Ryan:** Sure, thank you. There's a couple of things there that should be addressed, and I appreciate the question. It's an important one. So first and foremost, kind of as we started talking about this today, is the idea that we need more housing and building more housing and siting more housing, particularly affordable homeownership opportunities, is a key component in addressing the racial wealth gap. The homeownership gap between black and white American households, for example, is about where it was in 1968 when Congress passed, and President Johnson signed the Fair Housing Act. That should be unacceptable to any Americans, and it really reflects poorly on the progress that we should have been making in those 50-plus years, so that's a part of it. Secondly, the other piece of it too as it Paul noted, hit the work that Paul's organization does with partners across the country to preserve manufactured housing communities is really key to this as well. Preservation of housing opportunities where families are organized, the communities are unified, and they're strengthened, and they are empowered to control their own financial destinies- those are also tools in order to advance racial wealth equity. And you know communities across the country reflect the communities where they're sited. So manufactured housing communities are as diverse as the communities where they're sited so that's an important takeaway too. So, if we're trying to advance homeownership or preserve housing opportunities in a very diverse community, it's important to look at manufactured housing as part of that and how do you engage those residents, of all backgrounds, to build those communities. And so in some of our work, for example we have worked with community partners, like ROC USA but also others, that have worked Latino homeowner organizations and community builders as well as indigenous groups that have worked to preserve manufactured housing but also used to manufactured housing to

build out housing and homeownership opportunities. That is really a fundamental piece of it, and then again to an earlier point that Paul made, it's really the financing, the single-family financing, that's really important. We know from lots of research that home borrowers of color are often discriminated against in the mortgage marketplace. They get worse terms, higher interest rates, perhaps higher costs and things like that when they close on their mortgage, if they're even approved, and manufactured homeowners often get problematic loan products as well they might be eligible for a better product, so that's another way of helping to address the wealth divide in this space. And there's lots of other things we can do as well. We can also really, fully enforce the Fair Housing Act as well as state and local anti-discrimination measures and ensure manufactured housing and manufactured homeowners are included in our fair housing plans and our fair housing enforcement. They can be targeted for discrimination just like any other housing resident, but in some cases, they are targeted simply because they live in manufactured housing, and they are more vulnerable and susceptible to those kinds of practices.

**Jordan Ghasemi:** Thank you for that Doug. I'm sure our viewers will appreciate learning about the important work your organization does to help close the home ownership gap. As a follow-up, Doug, can you tell our viewers about your organization's Manufactured Housing Toolkit. Who's the toolkit for, and how can users benefit from it?

**Paul Bradley:** Yeah, absolutely. So, a couple of things. So, we've been doing tool kits, this toolkit, for about 15 years, and I should note that this work that were doing — the innovations and manufactured housing work or the I'm Home program — is moving to another organization, the Lincoln Institute of Land Policy, within the next year. But as we reflect on the work that we've done for about a decade and a half in this space, the toolkit is really a great example. The toolkit is targeted toward practitioners, policymakers, residents, and advocates to learn about how they can use manufactured housing as part of the solution to the housing crisis in their community. So, for example, it talks about, there are components about communication. So, we talk about the stigma about manufactured housing and mobile homes. There are communication tools about how to message about your community and where you live and how to advance manufactured housing in those discussions. There are also policy briefs and policy documents to show what is good policy, what's bad policy, and how communities and states and localities can advance good policy based on what's already been done in other parts of the country. So those are really important resources too. So, there are really good laws across the country. You know, Paul noted that ROC USA is working in 21 states. Many of those states have had excellent law for years or have adopted improvements to their law in recent years, and the toolkits have helped shape those arguments and shape those policy debates and working with ROC USA and the local partners on the ground, we've made some really good impacts on public policy and the toolkits can help people do that. And you can learn from states that have really good public policy and if you're in a state that can see some improvements, you'll benefit from using the toolkits.

**Jordan Ghasemi:** Thank you Doug. Our viewers can find a link to the toolkit on our HUD Exchange Table Talks Series webpage. Paul, I want to come back to you for my next question. I've noticed that the vast majority of ROC USA communities are located in states in the northeast or northwest but manufactured housing is more commonly found in states in the south and southwest. Can you explain that pattern? Are there barriers to creating resident owned communities in some parts of the country?

**Paul Bradley:** Thanks for the question, Jordan. Our map is really based on where we had and have affiliate relationships with nonprofits because we do boots-on-the-ground technical assistance and training in communities, both pre-purchase and post-purchase, and historically we've done that through affiliate relationships and we continue to do that with affiliates, but we realized we were not being agile enough and getting to new markets, especially under very difficult market conditions, so we now have a national team and so we are serving all continental U.S. states with conversion services, so you'll start to see more resident owned communities in the southeast and southwest very shortly.

**Jordan Ghasemi:** Thank you Paul. Let's hope that resident owned communities increasingly flourish across the country. Doug, my next question is for you. Prosperity Now publishes data snapshots for several metro areas and states that highlight the prevalence of manufactured housing in those markets. Can you tell us a bit about who lives in manufactured and why this type of housing is important for those households?

**Doug Ryan:** Yeah absolutely, so a couple of takeaways from those data profiles. One is that manufactured housing and its residents reflect the communities that they are in, so they'll generally match the demographics, for the most part, of the cities they're located in, or the counties they're located in. Now that said, manufactured homeowners are typically, they skew a little older and a little whiter than the general population and there are lots of explanations for that. But again, they do reflect typically the communities that they're located in. So that's one key takeaway. The second thing that I think is really important to think about is the kind of work that the manufacturing homeowners and manufactured housing residents are doing. You know during COVID we became reliant on frontline workers, on retail workers, and workers in hospitals and health services, construction workers- these components that really kept the economy going and also provided the services that so many of us relied on during the darkest days of the pandemic. And what we have found in the communities across the country is that those kinds of jobs are what manufactured homeowners and residents have. They work in the health services. They work in retail. They work in the hospitality industry. They work in construction. It's really important to understand that it is really fundamental to our economic well-being, our local well-being, to have good, affordable, stable housing for the families that do those jobs. We would be in a much worse place two years, two and a half years into the pandemic if not for those workers who are doing those types of work and frankly living in manufactured housing across the country. So, it's really just another example of how the housing crisis really undercuts our economic well-being, locally, at the state level, and national people.

**Jordan Ghasemi:** Thank you Doug. Your response to our earlier discussion around debunking myths around this type of housing. It's good to remember that people of all backgrounds live in manufactured housing.

Let's shift the discussion to wealth building. My next question is also to you Doug. Can you discuss the wealth-building of manufactured homes? And how can we mitigate barriers to wealth building, like challenges to titling and financing manufactured homes?

**Doug Ryan:** Right, absolutely, those are really key questions. So, whenever somebody purchases a home, it's often the biggest investment that they make in their lives, in their financial lives, and understanding that means that we as communities, as advocates, as policymakers really should ensure that that decision is as stable and safe as possible. So, there's a couple of things there. So, the wealth building potential of manufactured housing really is dependent on a couple of things: the market, the

location- the demand for housing drives appreciation more than anything else. A site-built home in a community or city that is losing population and losing its economic base is not going to appreciate, and a manufactured home in the same community is going to face the same challenges. The flip side is that a community that is growing, that is economically diverse, and that is attracting new employers and attracting new workers and things like that, is going to force demand on all sorts of housing, including manufactured housing. That said, there are inherent challenges in the sector that need to be addressed to make sure that that is available to as many homeowners as possible. As Paul noted earlier, the single-family finance, the housing finance, the mortgage if you would, is really a key component. Most manufactured homebuyers, if they buy their home using credit, they rely on a personal property or chattel loan.

**Jordan Ghasemi:** Those are certainly important issues for viewers to be aware of. And again, I would like to point our viewers to the resources on the Table Talks Series website, the Manufactured Housing Quick Tips. This resource is targeted to housing counselors but contains on topics like the financing and titling of manufactured homes that can be informative for a wide audience.

My next question is for both of you. Some manufactured housing communities are predominately inhabited by members of a single race or ethnicity. Unfortunately, some landlords take advantage of vulnerable residents, such as foreign-born residents. Why do we see these patterns in some communities and what can our viewers do to ensure residents of manufactured communities are not experiencing illegal discrimination. Doug, you can take this one first and then we'll let Paul respond.

**Doug Ryan:** Thank you. So, a couple of things. First and foremost, we have fair housing laws on the books at the federal, state, and local levels and they need to be enforced. And manufactured homeowners or owners of mobile home communities have the same rights as everyone else. They have a right to live and be free from discrimination, from predatory practices, and the like. It's absolutely imperative that we enforce those laws to protect them. So, if a homeowner brings a complaint to his local government or to HUD or to whomever, we need to be sure that we are taking it seriously and act on it. So that's a big piece of it. The second part is, you mentioned Jordan, the demographics of particular communities. The reality is that manufactured housing communities and mobile home parks reflect the cities or counties that they are sited in. And because our housing patterns are so segregated overall, regardless of the housing type, it should not surprise people that manufactured housing and manufactured housing communities reflect that as well. So that's one key takeaway. The second key piece of it, and to your question, is why are they more vulnerable to discriminatory practices than others or why might they be more targeted. There are a couple explanations that I think are helpful to point out. One being is that, as Paul noted, the reason why it's so appealing to become a ROC – resident owned community – because the adds stability and sustainability to the community. Unfortunately, investor-owned communities, those families are more at risk for displacement if the community owner raises rents by a lot like we're seeing today, or if he chooses to sell or redevelop the property for other purposes. So, understanding the vulnerability of manufactured housing residents and communities really makes them vulnerable to discriminatory practices. Now you've unfortunately mentioned the idea of immigrant populations and others being targeted because of their demographics, and that's true. We see, we know from anecdotes where owners or property managers have targeted communities saying they will exploit their immigration status or raise an immigration status issue of their family members in order to get somebody to move or to accept a rent increase or whatever it is. Those violations of the Fair Housing Act and other fair housing laws need to be enforced as well. There's a lot here, but at the core it

comes down to enforcing the laws that are on the books and making sure property owners and residents are educated about those rights.

**Paul Bradley:** I think Doug deals with the core issues here. I can probably just add a little color from the resident owner perspective. First off, we do train to fair housing. So, all co-op boards are trained on fair housing, and most of the co-ops are hiring third party property managers that are doing resident screening and the like. The expectation of those third-party property managers is that they are abiding by the law and being inclusive. We certainly, in the resident ownership space, have single race communities: all English speaking, all Spanish speaking, and some mixed-race communities, including other populations beyond Hispanic and Caucasian to a group of Hmong residents in southern Minnesota, so we embrace the diversity. I think co-ops embrace the diversity. One of the great stories from the last couple of years actually was during the Texas freeze ups, we had two largely Hispanic communities in Texas, and they were victims of the freeze up, for sure. We had co-ops from the northeast stepping up and donating to the GoFundMe page to support their fellow co-op members down in Texas. I just love the communities supporting one another and I've seen it firsthand at our leadership institute: co-op leaders from different parts of the country, different races, sitting together and sharing co-op stories and their leadership experience, and I think we are playing an important role of connecting people in communities, diverse communities across the country that I greatly value and I know everybody in our network does.

**Jordan Ghasemi:** Thanks both of you for your thoughtful responses. Part of FHEO's mission is to build inclusive communities free from discrimination, and that extends to manufactured housing communities. My next question is also for both of you. What can you share with our viewers about ensuring manufactured housing is accessible to people with disabilities or older Americans? Are there steps HUD grantees can take to help ensure these homes are more accessible? Paul, please take it away, then we'll go to Doug.

**Paul Bradley:** Sure Jordan, thank you. There are steps, especially if you're involved in purchasing or ordering new manufactured homes. You can get those built in the factory [as] ADA compliant. With my mother's double wide manufactured home, a Clayton home, we ordered that with extra wide doors and grab bars and the appropriate handles and fixtures. It's very easily ramped. Remember these are single floor residences, so they work well in terms of again in place and any physical disability. So, it's a great affordable housing stock for accessibility. And that's true for older units as well, not sure on much on the wider doors but easily ramped for disabilities. And I'd say that's one of the reasons why these are so important to preserve. You're not going to see a stock of owned housing, single floor living, with 4 walls, a roof and yard, driveway right at the front door, in anything besides manufactured home communities, and we got to do what we can to preserve these communities and when homes need to be pulled out and new ones brought in, we need to do so with an energy-efficient mindset as well as an accessibility mindset.

**Doug Ryan:** Yeah, so following up on that, there's a couple of things, bigger picture stuff too. You asked Jordan about what HUD can do, and what HUD grantees can do. HUD grantees are of course compelled under the law, in receipt of federal funds, to comply with federal fair housing rules and laws. And that's really imperative, so it's really important that the recipients of those dollars understand their fair housing and accessibility obligations under the law and be sure that their manufactured housing communities in their jurisdiction and manufactured homeowners are included in their fair housing



planning but also in their consolidated planning for other HUD dollars. That's really imperative. You know, too often we've seen that manufactured housing communities, for whatever reason, were either excluded or ignored from those conversations on fair housing dollars, not just on the enforcement of fair housing laws, which they have to be included, that goes without saying, but also with the ability to get funded for accessibility improvements, some of the things that Paul mentioned. In some cases, localities will provide resources to fund ramps or other accessibility features. Manufactured housing communities and manufactured homeowners should be included in those discussions. They need those services and accessibility features. They should be included in those conversations, that's imperative. And localities have an obligation to plan and include those voices in their plan. So that's part of it. The second thing that I think is really important to understand is that, as we are an aging population, we are going to need more accessibility features. As Paul noted, the one level of housing type that manufactured housing is, the ease that they can be ramped, and in some cases the newer homes can be outfitted with accessible features, makes them really appealing to an aging population writ large. But it also- for other types of disabilities beyond mobility challenges, the sense of communities and the sense of density that manufactured housing communities, particularly like a ROC or a community run by nonprofits or other mission-driven ownership models, they can really provide a sense of security, a sense of community, provide services and other things that really can help people with disabilities and people who are aging in place to really enjoy those years and their residences. So, I think that's a really important piece of it, but it really does come down to being inclusive in our policy development and our policy applications.

**Jordan Ghasemi:** Thanks for those responses. It's good to hear that manufactured housing is evolving and can be a great option for people with a disability. Paul, it increasingly seems that manufactured housing communities are at risk of being purchased by investors. Can you describe what's happening and how this trend is affecting residents of the park?

**Paul Bradley:** I sure can. Of course, the ownership model – commercially owned and operated land, owned housing stock – from the very earliest times in this industry started out as temporary housing for workers as they moved around the country. But really in the '50s and '60s these homes grew larger and became permanent homes and trailer parks, trailer courts became permanent housing communities. So we've always known commercial investors in this space. The first real estate investment trust, publicly traded companies that invest in mobile home parks, came about in the early 1990s. There's now a handful of real estate trusts in the business. All of the largest private equity firms, name brand firms, are now in the mobile home park business. We have capital flowing from around the world, buying up mobile home parks or investing in private equity that are buying up mobile parks. So this has always been a part of the industry, but I would say since 2008, my own experience here, and I've been in this space for 30 years, there's been an explosion of private equity pouring into the market, and a large reason for that is the attractive returns and the immobility of owners of mobile homes. In other words, folks own their house on rented land, and they don't have many options for moving it. And for certain investor-owners, they see that as an opportunity to raise the rents dramatically without displacing the homes. Now you might displace the people living in the homes who get replaced by new people, but that the homes are pretty sticky, and you can raise the rents pretty dramatically. Of course, in the process of doing that, you're also lowering the price of home- back to your earlier question about appreciation, if you don't own the land, the risk of equity in the home being stripped is pretty significant. But I've certainly seen just an explosion of private equity, small, medium, and large private equity, coming into the mobile home space. There's just now more buyers than there are properties.

Mobile Home University advertises that they've trained 100,000 would-be investors in mobile home parks, recognizing there are only about 45,000 mobile parks in the country and certainly not all have gone through Mobile Home University. So, consolidation of communities has been going on, and to a point now where most properties are selling in portfolios. On the debt side, Fanny Mae entered the mobile home business in the early 90s. Freddie Mac was given approval in 2014, and the two have competed and now are doing billions of dollars of first mortgage financing and commercial investors in mobile home parks. That has certainly added to the onslaught of investment in this space. But overall the returns are just significant, and that has attracted a lot of capital. The best returning commercial real estate investment trust sector in the country over the last 10 years, 2010 to 2020, was the little Mobile Home Park REIT sector- highest returning real estate sector in the country, the mobile home park sector and frankly, as they bid up prices, naturally, homeowners pay more in lot rent because when investors are buying property at high prices, the way they generate a return is to increase site fees or lot rents pretty dramatically. That's why you saw on the front page of the *Washington Post* massive rent increases in mobile home parks, and that's really the source of it, ever-escalating prices of underlying properties.

**Jordan Ghasemi:** Thanks Paul, all the more reason for HUD grantees to remain vigilant and help ensure that residents of manufactured housing communities are not at risk of displacement. The final question is for both of you. Some jurisdictions make it difficult for manufactured homes to be placed there, while other jurisdictions are increasingly moving to remove restrictions on manufactured housing and protect manufactured housing community residents from the threat of displacement. What do you believe are the most important steps cities and states can take to make sure residents that want to live in manufactured housing are able to do so? Doug, let's first hear from you and then Paul.

**Doug Ryan:** Great, thank you. So, there's a couple of pieces that I can touch on and I'll let Paul raise some other issues too because there are a lot at play here. So first and foremost, I think, again, we want to address the affordable housing that is unfolding in every single state across the country. Recently a group called Up for Growth, which we work with, released a report on the underproduction of housing since 2012 and up until the pandemic. And nearly every single state has a shortage of housing to meet the needs of their population, their growing household formations. So, states and localities need to get rid of the zoning restrictions that prohibit manufactured housing from being sited in single family lots across their jurisdictions. They make no sense. Manufactured housing doesn't depreciate the house next door. It doesn't attract unsavory elements, all this nonsense that you hear time and time again about certain types of housing. So, we've got to ensure that we have all of the tools in the toolbox if we want to address this crisis. Manufactured housing can be a great resource for first time homebuyers, for downsizing, for infill developments and the like, and cities and states should embrace it. A number of states – Oregon, Washington, California, New York and others – prohibit localities from discriminating against manufactured housing as a housing type. Other states need to follow. Another thing that states can do is full embed manufactured housing and manufactured home lending into their housing finance agency, their HFA programs. Most states across the country have first time homebuyer programs, down payment assistance programs, homebuyer education programs, or they partner with groups on the ground to provide those services. Manufactured housing needs to be front and center in those programs and explicitly called out as being eligible. That will encourage families to take a look at it but could also help families become homeowners sooner because the inherent lower cost of manufactured housing. So those are two things that states and localities can do. There's lots of other things they can do, and I'll

just hand it off to Paul to talk about the community side, because there's lots of things that states can change on their books too.

**Paul Bradley:** Sure, thanks Doug. For sure, what we've been seeing- well first, for HUD administrators out there, adding manufactured housing and manufactured housing resident owned communities to consolidated plans early and looking for opportunities, I think, is an important step in terms of HUD administration. I would say what I see happening in parts of the country, we got localities that are creating mobile park zones for existing communities to ensure that they remain manufactured housing and don't get closed down and use changed to another zoning allowed use. We have- the state of Colorado passed an "opportunity to purchase" law in 2020. That's a state law that provides homeowners with the opportunity to match offers from third party investors and buy the property as a co-op. There are 6 states with meaningful opportunity to purchase laws like that, and we're hearing there's interest, growing interest, in opportunity to purchase legislation around the country. There had been a bigger movement earlier, I haven't heard a lot of it recently, is dealing with community closure. I think we will start to see more communities being closed down as land values rise. And there's relocation funds, there's limitations, severe limitations on closing communities down, in other words, ways to maintain the community as a community, such as zoning, that some states and localities have adopted as well. But really it's about, to my mind, equipping homeowners with the resources so that they can compete against large commercial investors and equipping them with the resources so they can purchase the land and align ownership interest between the home and the land. It's really not just a benefit to that group of homeowners, it's a benefit to the entire region because these are vital sources of affordable housing. This is a wealth gap issue at the end of the day. We've talked a lot about appreciation of manufactured housing. We should stop of recognize that there are a whole lot of very low-income homeowners that are living in manufactured home communities, and this is their one opportunity to get control of the land and their homes, and that's what driving our every effort, is trying to create those ownership opportunities in those places in as many places as possible.

**Jordan Ghasemi:** Those are important steps that you both described. I know with organizations like yours and the hard work of our viewers, we can ensure that manufactured homes are safe, affordable and enhance wealth building opportunities for residents. That was our last question. Thank you again to the both of you for joining me today. Before we conclude, do either of you have any final thoughts you would like to share?

**Doug Ryan:** Yes. First, thank you Jordan and thank you to HUD for having Paul and I here to speak about manufactured housing. It's a really important conversation. I would encourage folks to go to [ROCUSA.org](http://ROCUSA.org) and [prosperitynow.org](http://prosperitynow.org) as well as those of other partner groups that do work in this space. It's really important, I think, that we get educated and learn about manufactured housing and how it can be part of the affordable housing and the overall homeownership solution to the crisis that all communities across the nation are facing. So again, I really appreciate the opportunity to talk about these issues and look forward to hearing from any folks that have questions for us.

**Paul Bradley:** I agree Doug. Thank you, Jordan, and HUD for hosting us, and really a pleasure. I would say one thing out to listeners as you being to explore manufactured housing and manufactured housing communities is to be sure to interact with, engage homeowners themselves. I think they're often overlooked and not a part of enough discussion and communication about this housing stock and what their experience is with the housing stock. You're going to hear a lot of positive stories and you're going

to hear some baseline concerns. And I know there's a lot to work with here, a lot of opportunity, just some fundamentals that have to be fixed, but they are fixable. And I think it's important that homeowners are sharing their stories and their insights as homeowners because, at the end of the day, those are the folks we're all trying to support and helping them lead stable lives, help them show up at work as stable employees and enjoy good retirements. I just encourage everyone to be sure to reach out to homeowners and engage them in your exploration. Thank you very much.

**Jordan Ghasemi:** I want to thank all of our viewers for tuning in today. I hope you've enjoyed the conversation with Doug Ryan and Paul Bradley as much as I have. Please keep their insights in mind as you continue the critical work you do to end segregation and remove barriers to equitable, inclusive communities. In the meantime, please be sure to tune into our next episode of the FHEO Table Talk Series. We'll see you then.