

THIS IS **MY HOME**



# THIS IS MY HOME

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THE CHALLENGES AND OPPORTUNITIES  
OF MANUFACTURED HOUSING

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by Adam Rust  
The Community Reinvestment Association  
of North Carolina

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## FOREWORD

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I grew up in Erwin, Tennessee, a small town surrounded by mountains, near the Carolina border. I remember how hard people there worked to maintain their homes. In that way, they were like people anywhere else. Today, Erwin remains the kind of area where many people live in manufactured housing. It is a type of housing that meets their needs, and it comes with an affordable price.

I live in and serve the people of the 4th Congressional District of North Carolina. It is a very different place from Erwin, but manufactured housing is vital and significant here as well. In my district, more than 43,000 people live in approximately 19,000 manufactured homes. While that seems like a lot, it is relatively modest in the context of the rest of North Carolina. Across the state, about one of every six households lives in a manufactured home. The sheer number of manufactured home owners tells me that we have to pay attention to this type of housing and to the laws that govern its purchase, financing, installation, titling, and ongoing regulation.

While this is not a simple topic with easy solutions, it is important, if only because the consequences

for families can be so grave when things go wrong. The closure of a land-lease community may put families in a crisis. A sudden increase in lot rent, for a home owner with a limited budget and little ability to move, represents a very real emergency. Dollars spent to service a loan with a high rate of interest reflecting the manufactured home's designation as personal property are dollars that otherwise might be spent for other needs, such as helping a family save for a college education or to build a retirement nest egg.

I believe that all Americans have a right to decent and affordable housing, and I believe that our values must be expressed in our actions. Isaiah spoke out against wise and pious men who chose only to fast, rather than express their faith through compassion and the pursuit of justice. He said, "Is it not to share your food with the hungry and to provide the poor wanderer with shelter—when you see the naked, to clothe him, and not to turn away from your own flesh and blood?" (Isaiah 58:7) We should all draw strength from Isaiah's wisdom and use that to motivate our actions in the community.

The residents of manufactured housing are part of our community. They, as well as anyone who needs an affordable, safe, and decent place to live, deserve our attention. I hope the stories of the people in this book will instill in you the same sense of mission that they give me.

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**David Price represents the Fourth District  
of North Carolina in the United States  
House of Representatives**



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# INTRODUCTION

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Manufactured housing is often an invisible housing issue to the community development sector, to policy makers, and to the public at large. Residents are left out of community development initiatives and housing policy reforms. In North Carolina, no public or nonprofit program exists to finance the housing or redevelopment of land-lease manufactured housing communities. As a result, it is a very real possibility that the needs of residents in these communities may be ignored and their reputations stigmatized.

The first step for reform is to raise awareness so that by caring and understanding, we can collectively take actions to include manufactured housing.

The Community Reinvestment Association of North Carolina is a creative nonprofit agency that promotes social and financial justice. We produced this book because we care about the people who live in manufactured housing.

There are a lot of people to care for: by 2005, 8.74 million households were living in manufactured housing in the United States (Census Bureau, 2005). Those households include five million children. In

North Carolina, one of six households lives in a manufactured house.

Affordability is the most compelling reason for the sector's popularity. Manufactured housing is an important source of affordable housing. In 2000, manufactured homes sold for approximately one-quarter the price of site-built homes.

Manufactured housing accounts for 40 percent of home purchases made by low-income buyers in the South (Duda and Belsky, 2001). In 2004, the median income among borrowers of mortgages on manufactured housing was \$41,000 (Rust and Skillern, 2006). Yet in spite of its ability to serve low-income consumers, manufactured housing remains one of the least subsidized portions of the housing market.

If you owned a site-built home prior to 2002, then you benefited from a great surge in home values. According to the Office of Federal Housing Enterprise Oversight (OFHEO), home prices have averaged more than nine percent appreciation annually since 2002. If you owned a manufactured home, though, economic forces were a lot more sobering. For the most part, manufactured home prices declined.

This book focuses on existing land-lease communities, the ones often referred to as “trailer” parks. There are an estimated 4,000 parks in North Carolina. These residents live in a system that fosters poverty and not wealth building, that is affordable but not equal to stick-built, that leads to negative stereotypes and a cloak of invisibility, but whose residents proudly call their houses “home.” They are deserving of an honest examination of the changes that need to take place.

The Challenges section is focused on North Carolina. In a narrative structure, the Challenges section parallels the life of a mobile home unit from titling as personal property to disposal when obsolete. The first section of the book catalogues some of the biggest dilemmas. Those include park closures, the inability of a tenant to have long-term security against rent increases, poor infrastructure, the specter of abandoned homes within the community, and costly financing.

The stories from California, Vermont, New Hampshire, and Nevada show what some of the solutions can be. In California, the preservation of land-lease communities is an affordable housing strategy



among skyrocketing housing and land prices. In Vermont, public subsidies are warranted because the public puts a greater value on providing for the poorest. In New Hampshire, the cooperative ownership structure stems from a deep commitment to grass-roots democracy. Reform is needed and reform is possible.

Semantics are important in discussing this issue. For example, the term “trailer park” projects a different image than is suggested by the word “neighborhood.” “Mobile home” has the qualifier mobile that the simpler term home does not. The word “trailer” may come with negative associations, yet it is also widely used without pejorative meaning. Call it what you will, manufactured housing, HUD code units, factory built, it is a home in a community.

We use the terms manufactured housing and “mobile home” interchangeably. We acknowledge that law gives the former a distinct meaning. Nevertheless, we want to communicate in common language. The blurring of the use of the two terms among residents tells us that people still take one for the other.

This book is not a comprehensive overview of the history or future of the manufactured housing in-

dustry or the multitude of different scenarios that our country offers. While there are mobile homes in land-lease communities in California with a view of the Pacific Ocean that are selling for a million dollars, we are concerned with moderate and low-income communities.

Modular housing is also manufactured in a factory, but to a local building standard. Compliance with the local code is enforced by a third-party inspector and is paid for by the manufacturer. Regardless of where it is built, compliance lies with the North Carolina Department of Insurance. This type of manufactured housing is increasing in usage due to better mortgage financing and no local discriminatory zoning that keeps out mobile homes but not modular homes. While modular housing is a growing component of the housing stock, our focus is on mobile homes.

Increasingly, the majority of mobile homes are being sold as doublewides that are placed on permanent foundations and financed as real property in subdivisions. The manufactured housing industry is recovering with an approach that treats manufactured housing as real estate in design, land ownership, and financing. Innovative non-profits reduce housing costs by utilizing HUD Code multi-units for infill development in urban areas.

The future of mobile homes is not in their placement in land-lease communities as personal property, but as real property. But our story focuses on the millions of residents in land-lease communities, trailer parks. These neighborhoods will be with us a long time and should not be ignored with the hope they go away. Within the manufactured housing sector, reforms for existing land-lease communities will reduce the greatest inequities for the most people.

The Community Reinvestment Association of North Carolina wants readers to better understand these issues in the hope that non-profits, policy makers, and the public will prioritize making manufactured housing in land-lease communities a better place for people to call home.

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**Peter Skillern is the Executive Director of the Community Reinvestment Association of North Carolina**

According to the Census Bureau, more than five million American children live in manufactured housing. These children live in a cramped singlewide in Hertford County, North Carolina. They sleep doubled up some nights in a small room with three beds. These kinds of conditions underscore why community development policy should address the questions of manufactured housing.

