

**Affordable Housing Production Task Force
Manufactured Housing Subcommittee
January 22, 2025 Report**

Introduction

Everyone needs a safe stable place to call home whether it is a single family home, townhome, apartment or manufactured home. Unfortunately, both nationally and locally, there is a shortage of housing. When there is a housing shortage, the cost of housing can explode leaving persons and families with lower incomes at an even greater disadvantage when trying to find a place to call home and they are therefore “Housing Insecure”.

Findings

The Federal definition of “affordable” is if housing costs do not exceed 30% of household’s monthly income. These costs include basic utilities, mortgage insurance, HOA fees (if applicable) and property taxes. In the State of Delaware, if a household is at 50% of the area median income for a two person household, then the amount they have to spend on affordable housing is \$978 per month (Exhibit 1). Exhibit 1 provides the information of the household income as a percentage of area median income (AMI) and the maximum affordable housing costs based on AMI (assuming that housing costs equal 30% of gross monthly income). Exhibit 2 provides the maximum sales price of fee simple homes based on a 30% maximum income to housing costs, in the State of Delaware and by County.

Exhibit 1:
Maximum Home Loan Amounts and Home Sales Prices
Based on a Household’s Percentage of AMI

Assumptions		Percentage of AMI	State of Delaware			New Castle County		
			Delaware	Maximum Loan Amount	Max Sales Price	New Castle County	Maximum Loan Amount	Max Sales Price
FHA*	6.50%	30% AMI	\$586	\$92,711	\$96,074	\$670	\$106,500	\$109,845
Term	30 years	50% AMI	\$978	\$154,730	\$160,342	\$1,116	\$176,563	\$182,967
Taxes	\$2,500	60% AMI	\$1,173	\$185,581	\$192,312	\$1,340	\$212,002	\$219,691
Home Insurance	\$900	80% AMI	\$1,564	\$247,441	\$256,416	\$1,785	\$282,406	\$292,649
Down Payment	3.50%	100% AMI	\$1,955	\$309,302	\$320,520	\$2,233	\$353,284	\$366,098
30% Max Income to Housing Cost		120% AMI	\$2,346	\$371,162	\$384,624	\$2,679	\$423,846	\$439,219

Assumptions		Percentage of AMI	Kent County			Sussex County		
			Kent County	Maximum Loan Amount	Max Sales Price	Sussex County	Maximum Loan Amount	Max Sales Price
FHA*	6.50%	30% AMI	\$493	\$77,997	\$80,826	\$534	\$84,484	\$87,548
Term	30 years	50% AMI	\$818	\$129,416	\$134,110	\$890	\$140,807	\$145,914
Taxes	\$2,500	60% AMI	\$981	\$155,204	\$160,834	\$1,068	\$168,969	\$175,097
Home Insurance	\$900	80% AMI	\$1,308	\$206,939	\$214,445	\$1,423	\$225,134	\$233,299
Down Payment	3.50%	100% AMI	\$1,635	\$258,674	\$268,056	\$1,780	\$281,615	\$291,829
30% Max Income to Housing Cost		120% AMI	\$1,962	\$310,409	\$321,668	\$2,136	\$337,938	\$350,195

Exhibit 2

Household Income as a Percentage of Area Median Income, by State and County, 2023

Percentage of AMI	Delaware	New Castle County	Kent County	Sussex County
30% AMI	\$23,450	\$26,800	\$19,720	\$21,350
50% AMI	\$39,100	\$44,650	\$32,700	\$35,600
60% AMI	\$46,920	\$53,580	\$39,240	\$42,720
80% AMI	\$62,550	\$71,400	\$52,300	\$56,900
100% AMI	\$78,200	\$89,300	\$65,400	\$71,200
120% AMI	\$93,840	\$107,160	\$78,480	\$85,440

Source: 2023 HUD Median Income Limits for a 2-Person Household
<https://www.huduser.gov/portal/datasets/il.html#year2023>

Maximum Affordable Housing Costs by Percentage of AMI, by State and County, 2023

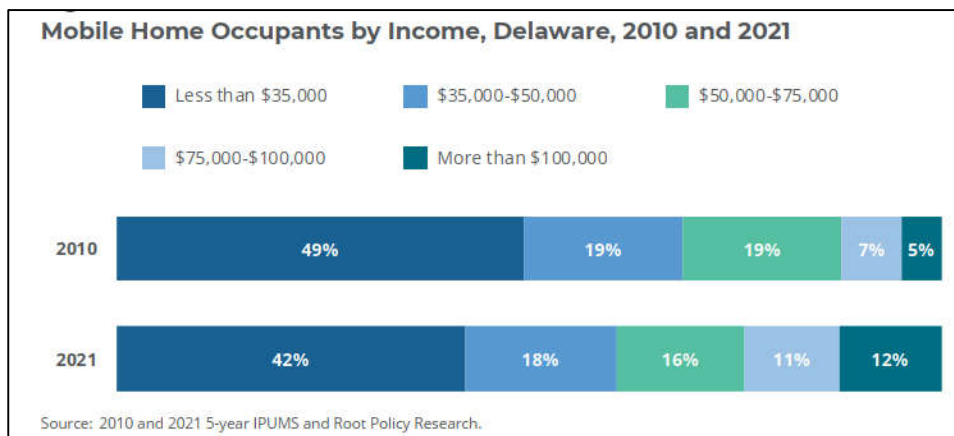
Percentage of AMI	Delaware	New Castle County	Kent County	Sussex County
30% AMI	\$586	\$670	\$493	\$534
50% AMI	\$978	\$1,116	\$818	\$890
60% AMI	\$1,173	\$1,340	\$981	\$1,068
80% AMI	\$1,564	\$1,785	\$1,308	\$1,423
100% AMI	\$1,955	\$2,233	\$1,635	\$1,780
120% AMI	\$2,346	\$2,679	\$1,962	\$2,136

Source: 2023 HUD Median Income Limits for a 2-Person Household; Delaware State Housing Authority
 Notes: Assumes that housing costs equal 30% of gross monthly income; housing costs include rent and utilities (for renters), and mortgage, utilities, property taxes, and insurance (for homeowners).

The information provided in the above exhibits demonstrate the difficulty for individuals and families in lower AMI demographics to not only purchase homes, but to rent homes. Further, when one looks at purchasing a home, the amount of money available to purchase through a mortgage is not sufficient to the actual cost of the home.

Households with incomes between \$35,000 and \$50,000 are five times as likely to live in mobile homes as households earning more than \$100,000. (Root Policy Research). Below in Exhibit 3 is a chart showing manufactured home occupants by income in Delaware. The concentration of households in manufactured home communities is close to 50% for households with an income less than 50% AMI. It is clear that this demographic is in a housing insecure position.

Exhibit 3



Manufactured housing is a lower cost option to single family homes. The average cost to purchase a home in Delaware is \$449,250.00 in May 2024. (<https://www.delawareonline.com/story/money/real-estate/2024/05/11/delaware-real-estate-listing-prices-what-is-the-current-de-home-listings/73618157007/>) But the average cost of a new manufactured home in 2023 was \$113,95.97 and for an existing manufactured home was \$69,781.00. (<https://mhinsider.com/manufactured-housing-industry-trends-statistics/>)

There has been a decrease in manufactured home shipments in Delaware from a high of 1,470 in 1998 to 296 in 2024. Also, over the last 20 years, some manufactured home communities have been closed. In Exhibits 4a and 4b, show the shipments of manufactured homes nationally and in the State of Delaware respectively.

Exhibit 4a

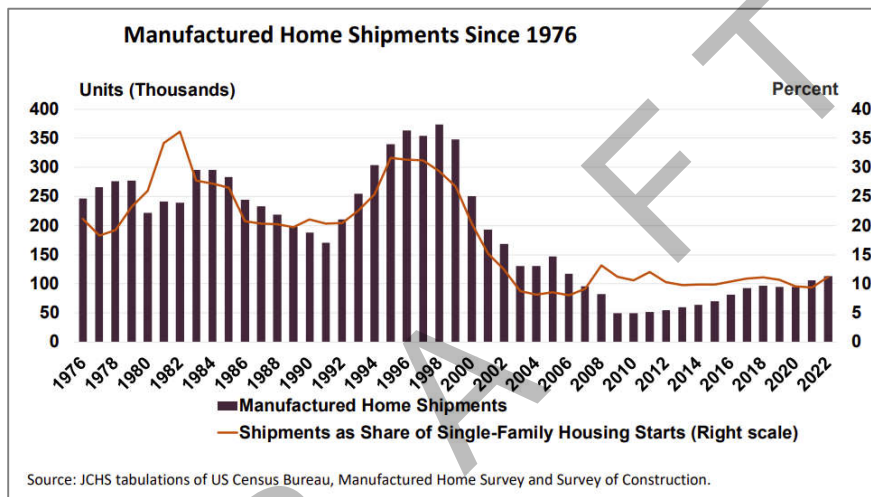
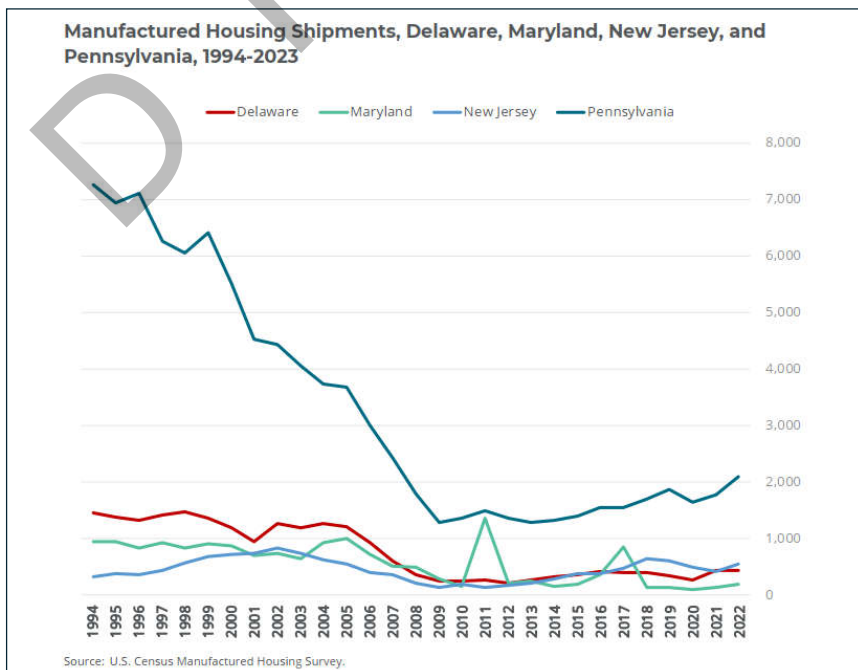


Exhibit 4b



From 2010 to 2024, for a variety of reasons there resulted a decrease of mobile/manufactured home inventory in Delaware by nearly 6,800 units.

Manufactured homes as a share of total housing units has decreased in Delaware. Exhibit 5a shows this share for 2010 and 2021 for different areas of the State. Exhibit 5b shows this relationship by census tract. (Root Policy Research)

Exhibit 5a

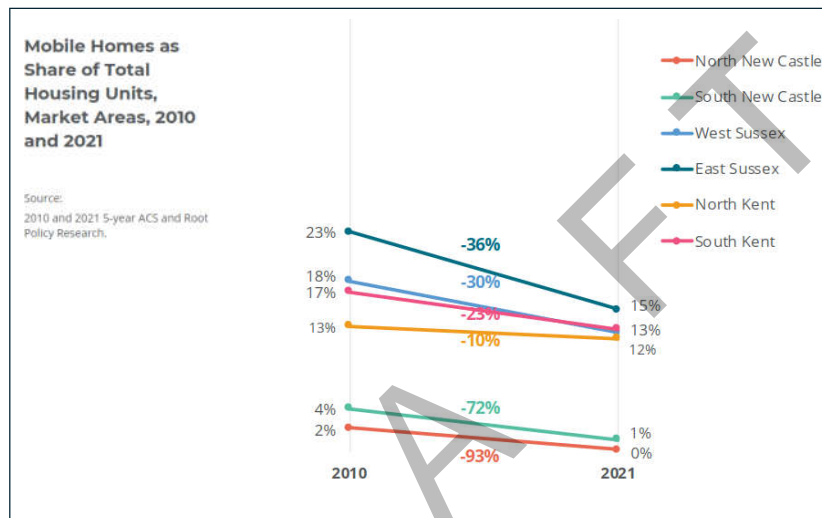
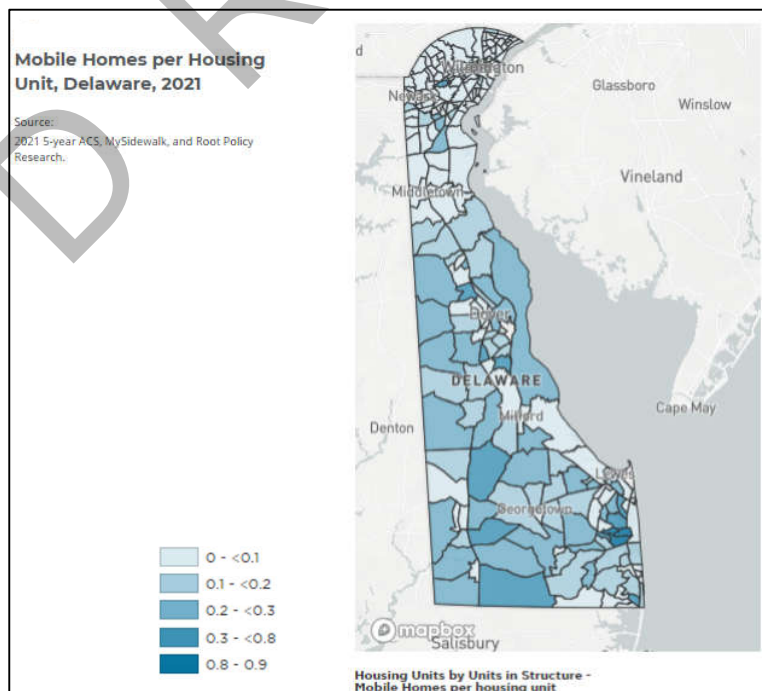


Exhibit 5b



The concentration of manufactured housing is spread in three distinct areas: Northern New Castle County, Smyrna/Dover and eastern Sussex County. Many of these started out as rural but as Delaware’s population increased those manufactured home communities are now closer to urban areas or in urban areas. Exhibits 6a and 6b show a map of the location of the communities and a matrix on the relationship between rural and urban and the location of the manufactured home communities. As manufactured housing communities’ locations transform from a rural to an urban area, the pressures of gentrification change the demographics of the community over time making the community less affordable. Since the late 1980’s no new manufactured home communities have been rezoned and developed. There have been a couple of attempts to develop new communities but they have gone nowhere.

Exhibit 6a

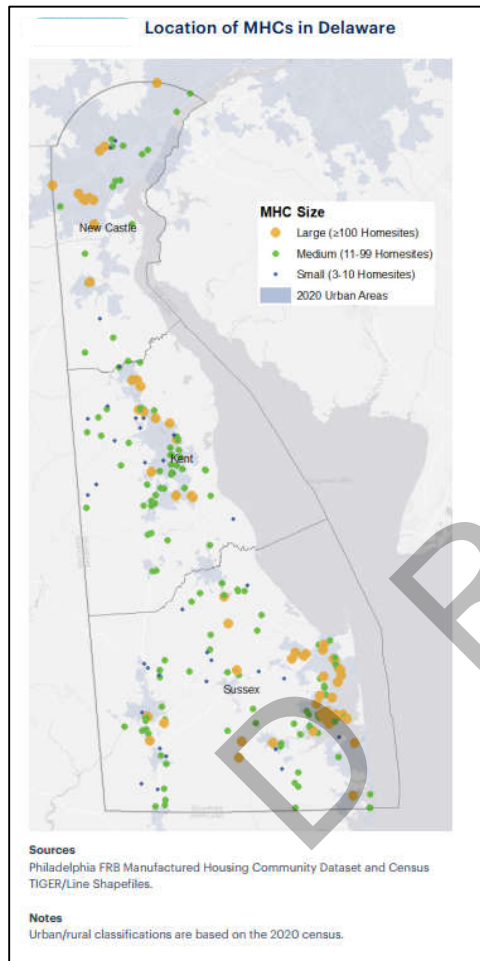


Exhibit 6b

MHCs by Urban/Rural Location and Size

	Count	Row % in Size Category		
		Small (3-10 homesites)	Medium (11-99 homesites)	Large (≥100 homesites)
Rural	70	30.0	64.3	5.7
Urban	173	13.9	51.4	34.7
Total	243	18.5	55.1	26.3

Sources
Author’s calculation using the Philadelphia FRB Manufactured Housing Community Dataset and Census TIGER/Line Shapefiles.

Notes
Urban/rural classifications are based on the 2020 census. Figures are tabulated at the MHC level and are not unit-weighted.

The characteristics of a high share of manufactured home communities in a geographic location depend on land price and that information can be found in Exhibit 7. The impact of this characteristic forms one of the most important barriers to entry for additional manufactured home communities. That is, the value of land is directly related to the density of housing in the surrounding area. Therefore, for manufactured housing to be affordable, land prices should be low, and the surrounding densities should be low as well. The conflict that exists is that when low housing densities exist, there is a lack of infrastructure. As a result, it is difficult to develop a new manufactured home community without infrastructure costs being low.

Exhibit 7

Characteristics of Counties by Prevalence of Manufactured Housing			
County Characteristics	Lowest Shares of Manufactured Housing (Bottom Quintile)	Middle Quintile	Highest Shares of Manufactured Housing (Top Quintile)
Mean Share of Housing Stock That Is Manufactured Housing (Percent)	2.4	10.7	28.1
Number of Manufactured Homes in Quintile	1,360,440	1,671,981	2,174,343
Median Home Value	\$220,000	\$148,000	\$105,600
Mean Land Price for Single-Family Lot	\$434,000	\$74,700	\$39,300
County Population	305,400	56,560	27,500
Mean Population Density (pop/sq mi)	2,189	326	84
Homeownership Rate (Percent)	68.7	72.0	73.2
BIPOC Homeownership Rate (Percent)	48.6	53.9	60.2
Median Household Income	\$66,700	\$52,500	\$42,700
Share of Adults with a Bachelor’s Degree	31.0	21.6	14.5
Median Age (Years)	39.9	41.8	42.1
Share of Households with Children	30.2	28.8	29.3
BIPOC Share of Population	25.4	20.7	31.1
Median Year Built for Manufactured Homes	1959	1972	1982

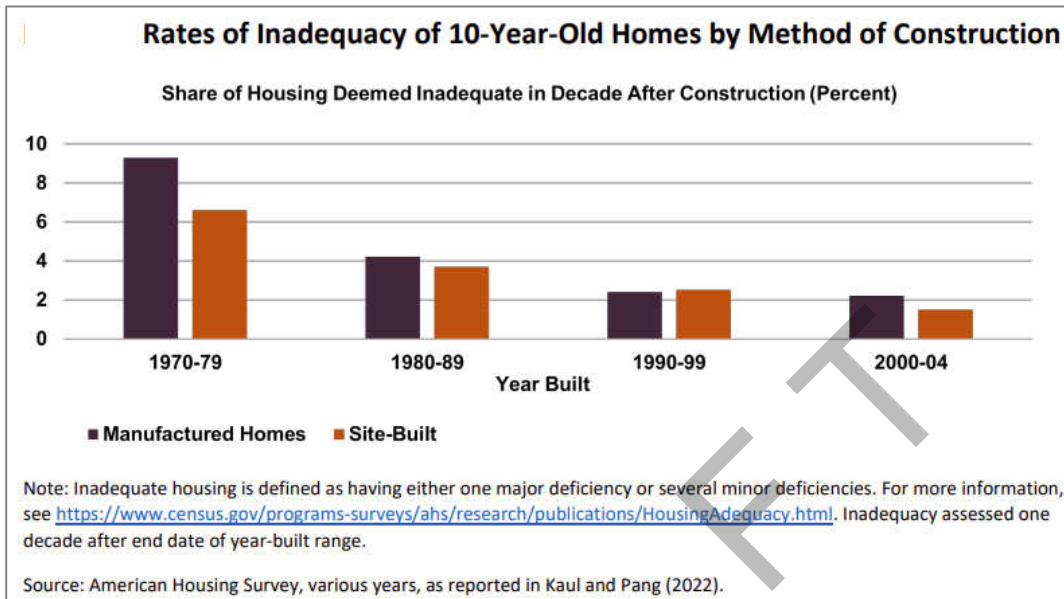
Note: The American Community Survey includes median home value data from 3,222 US counties, while the Federal Housing Finance Agency (FHFA) land cost index covers a smaller set of 2,378 counties. The counties excluded by the FHFA index are the smallest counties, generally outside of metro areas.
 Source: JCHS tabulations of US Census Bureau, 2019 American Community Survey 5-Year Estimates and FHFA 2019 land cost index (<https://www.fhfa.gov/PolicyProgramsResearch/Research/Pages/wp1901.aspx>).

The cost of manufactured housing land is critical to keeping rents low and affordable.

More than a third of the Country’s known communities were constructed in the 1950s through 1990s, 17.2 percent from 1950 through 1970 and 16.2 percent from 1971 to 1990. Also, about 73 percent of new manufactured homes are titled as personal property or “chattel”. (<https://mhinsider.com/manufactured-housing-industry-trends-statistics/>)

The quality of manufactured homes has improved significantly over the last 50+ years. Exhibit 8 is a chart showing the occurrence of deficiencies of 10-year-old manufactured homes and site-built homes over four periods. This has contributed to higher levels of resident satisfaction.

Exhibit 8



Barriers to Manufactured Housing Affordability

Perception

There is a perception that manufactured housing is of inferior quality and aesthetic appeal and that the homes are less likely to appreciate in value. Due to these perceptions, people may feel that manufactured housing has a detrimental impact on surrounding property values. Additionally, societal attitudes towards manufactured housing owners consider them to be lower class and undesirable which is a misperception. The consequence of this misperception is that it is difficult to gain subdivision approval for new communities.

Financial

According to the 2021 American Community Survey (ACS) households living in manufactured homes are more likely than other households to have lower incomes, and few living in manufactured homes have high incomes. Thirty-seven percent of all households living in manufactured homes have incomes below \$30,000, compared with 21 percent of all other households. (<https://www.census.gov/programs-surveys/acs>)

Also, most manufactured homes are considered chattel rather than real property, therefore, potential homeowners have trouble obtaining financing, and available financing for chattel is at higher rates than for stick-built homes. Exhibit 9 shows how a current chattel loan for a manufactured housing vs mortgage loan for manufactured housing vs a mortgage loan for a site-built home. The impact of the differential between chattel and traditional financing is that chattel financing will be for a shorter term and at a higher interest rate cost which results in a higher monthly payment for manufactured home buyers. This burden means that the manufactured home buyer will have to use more of their resources which has a potential for leaving them in a position of greater housing insecurity.

Exhibit 9

	Manufactured: Chattel Loan, Leased Land	Manufactured: Mortgage Loan, Direct Land Ownership	Site-Built: Mortgage Loan
Number	619	967	56,446
Median Applicant Income	\$55,000	\$55,000	\$80,000
Median Interest Rate	8.55%	4.25%	3.60%
Median Loan Amount	\$55,000	\$195,000	\$265,000
Median Loan Term (Months)	240	360	360
Median Loan-to-Value Ratio	80.0%	96.5%	95.0%
Est. Monthly Loan Payment	\$479	\$959	\$1,205

Sources
Author's calculations using 2019–2022 Home Mortgage Disclosure Act data.

Notes
Calculations include only originated, first-lien purchase loans for owner occupancy. Chattel loans to manufactured homebuyers with direct land ownership, indirect land ownership, and unpaid leaseholds are excluded to focus on loan outcomes for likely MHC homebuyers. Estimated monthly loan payments are based on median loan amounts, median terms, and median interest rates reported in the table.

Development

There are extensive costs associated with land development from rezoning to engineering and planning review to traffic impact surveys. It would be prohibitive for landowners to plan for affordable housing with predevelopment costs so high. Furthermore, the regulatory environment at a land use level in each County is very difficult and makes it extremely hard to develop manufactured home communities. The political disruption manufactured housing zoning has is monstrous and many politicians would not support such a land use change.

Market Conditions

Another issue when considering the development of new communities is the availability of land. With so little developable land in desired areas, there can be no development of new manufactured home communities.

As discussed above, it is imperative that for manufactured housing to be affordable, the land cost must be minimal. As Delaware's population has grown, land has become more expensive, development is further from core areas and results in more expensive infrastructure. This results in a misalignment of creating affordable housing through inexpensive land and infrastructure.

Delaware Laws

Since 2003, Delaware Laws have become more progressive in supporting tenant/homeowner needs in manufactured home communities. In 2013, Rent Justification/Control was legislated. The short-term benefit of the Rent Justification/Control program has been that rental rates have been tamed. However, due to the more complex requirements for community owners, a number of manufactured home communities have been sold to national organizations who have no affiliation with Delaware, and many community owners have reduced investments into the communities. Also, the Rent Justification/Control program has produced a chilling effect on any interest in building new communities. Simply put, the Delaware laws incentivize homeowners to stay in their homes with little mobility and disincentivizes community owners from investing and developing new communities.

Migration and Gentrification

It has been well documented that Delaware's population has been growing and a significant part of that growth is people migrating into the State of Delaware, especially seniors. For manufactured housing, the net impact of that migration is gentrification or the reduction of affordable housing units which are then used for non-affordable housing units such as at the beach area.

Quality of Living

With so many manufactured housing communities having been developed more than 30 years ago, aging infrastructure can affect the quality of living of homeowners. Landlords are sometimes unknowing to the upgrades and repairs required to maintain a reasonable quality of living for homeowners.

Homeowners also have trouble with upkeep of their manufactured homes since much of their income may go toward lot rent and/or mortgage. If not properly maintained, homes are subject to higher energy costs or hazardous living conditions.

Ways to Assist in Sustaining and Expanding Manufactured Homes as an Affordable Housing Option

The first step to increasing the availability of manufactured homes as an affordable housing option is to maintain existing communities and the homes within. The next step is to find ways to increase the number of available land on which to develop manufactured home communities.

There are four segments to address: Manufactured Homeowners/Potential Manufactured Home Buyers, Land/Community Owners, Developers, and the Overall Industry. For each of these segments, there is an Appendix at the back of this report with details for each item.

Manufactured Homeowners/Potential Manufactured Home Buyers (see Appendix A for Details)**1.21 Wrap Around Support Services**

Homeowners in 40% below median income level would benefit from additional support services relating to medical, food, financial/budgeting assistance and more. This would free up some of their income to go toward housing and promote housing security.

1.24 Home Improvement Grants

Manufactured homeowners are currently not eligible for home improvement grants from the Delaware State Housing Authority. These grants should be available to all homeowners whether for a stick built or manufactured home so that homeowners can maintain the safety and security of the people who live in them.

1.07 Establishment of a Voucher Program for Manufactured Housing

Vouchers would assist manufactured homeowners with income less than 40% of the area median income.

1.10 Voucher Education

Having a voucher program is not enough. Manufactured homeowners need to know about the program: what is the voucher program; who is eligible; how to apply for a voucher.

- 1.11 Funding for Tie-Downs to Enable Homeowners to be Eligible for Voucher Programs
One requirement of the voucher program is that homes be tied down. Unfortunately, most homeowners in a home without existing tie downs in need of a voucher do not have the funds to construct the necessary tie downs. By providing funds for this task, eligible homeowners would then be able to receive vouchers.
- 1.03 Chattel vs Real Property
HUD homes considered chattel have limited options for financing. Often they are subject to higher interest rates. If the homes were instead treated as property instead of chattel, there is a much wider field of financing opportunities for the home buyer.
- 1.23 10-Year Abatement on New Manufactured Homeowners with Incomes Less than 40% the Median Income
Potential homeowner would not only be incentivized to purchase manufactured homes and they would then receive benefits post purchase which would help them establish their housing security over the life of the abatement.
- 1.15 New Manufactured Homeowner Education
Education is empowerment. If every homeowner, upon signing a lease within a manufactured home community, were to view a presentation about their responsibilities and rights, the homeowner would be better prepared to address or respond to any issues that may arise.
- 1.09 Receivership in Chancery Court
As of this date, receivership issues are handled in JP court. However, given the monetary size, experience and complexities of a manufactured home community, Chancery Court would better be able to respond to such issues.
- 1.29 Solar Farm Subsidization for Manufactured Home Residents
Solar energy is becoming a popular way of reducing energy costs. This would be especially helpful to manufactured homeowners, many of whom are below 40% of the median household income. However, these persons do not have the financial or space resource to install a solar field. But, if land were available, financial assistance to accomplish this could be provided.
- 1.18 First Time Buyers Program for Manufactured Homes
A person or family seeking affordable housing typically need assistance to first get into a home. Low down payment requirements and low interest rate loans would help them at the outset.

Land/Community Owners (see Appendix B for Details)

- 1.14 Land/Community Owner/Manager Education
Managers of manufactured home communities, whether they are the land owner or third party management, should go through an initial management certification program with refresher certifications every five years. This would enhance the landlord-tenant relationship.

- 1.08 **Landlord Essential Services Requirements**
It is important that manufactured home communities be properly maintained. Landlords would be required to hire a third party to evaluate and report on the property condition. A properly maintained community enhances the quality of life of its residents.
- 1.12 **Grandfather Existing Manufactured Homeowners to the Current Rent Control Structure Requirements and Rental Assistance Programs**
By maintaining a set structure, both homeowners and landowners have continuity and known expectations relating to their rent.
- 1.13 **New Manufactured Homeowners in Existing Communities Not Subject to Current Laws, Notification**
In order to maintain and increase the number of manufactured homesites, landowners need to ensure the viability of their business. Therefore, with proper notification, new manufactured homeowners in existing communities would not be subject to current rent control and rental assistance regulations.
- 1.25 **Land/Community Owner Education of Grant Programs**
There are grants available relating to the rehabilitation and revitalization of private water and sewer systems. Land/Community owners may not be aware of these programs which, if utilized, would enhance the quality of life of a community's residents and extend the life of the community.
- 1.20 **Tax Credits for Subsidization of Renters Who are Below the 40% Area Median Income**
Rental Assistance Programs can be costly to the landowner which could lead to a landowner to continue operating a manufactured home community. Tax credits would provide the monetary relief to the landowner for them to keep their business viable.

Developers (see Appendix C for Details)

- 1.05 **Zoning Regulations and Manufactured Home Communities**
All three counties in Delaware have very explicit and exclusionary zoning regulations regarding manufactured housing. In fact, there have been no new manufactured home communities built since the late 1980's or early 1990's. By adjusting zoning relating to manufactured housing, these communities would be able to be developed in any residential zoning district as long as there is public water and sewer or community systems or third party operated private water system and community septic system.
- 1.04 **Zoning Regulations and Manufactured Home Communities – Infill**
An oversight process would be created to permit manufactured homes in any residential zoning district in existing subdivisions as long as the home follows design based regulations to ensure that the architecture of the existing community is preserved. In this way, people living in subdivisions need not fear manufactured homes.
- 1.16 **Permit an Engineering plan in lieu of a Zoning Plan in order to Develop a Manufactured Home Community**

If developers were permitted to execute an Engineering Plan instead of a Zoning Plan, there would be significant cost and time saving in developing the property as a manufactured home community, thus incentivizing a developer to build a community and, as they are also quick to build, provide for more manufactured housing in a much shorter period of time.

1.06 Traffic Impact Studies and Manufactured Home Communities

Another costly part of the development process is the Traffic Impact Study. As developers are anxious to recoup any costs, they would want to pass this on and may not be possible if considering a manufactured home community. Therefore, it is recommended that the level of service standards for traffic impact studies related to new manufactured home communities be reduced.

1.19 Exemption of Manufactured Housing from the Voluntary School Assessment

The Voluntary School Assessment (“VSA”) is a regressive tax that penalizes homes that could be built as affordable housing. Waiving this fee on manufactured housing as affordable housing would further aid in a developer’s decision to develop a manufactured housing community.

For the Overall Industry (see Appendix D for Details)

1.02 Financial Advisor for Acquisition of Community by Homeowners

If a community owner is to sell and the Homeowners desire to buy the community, they will need assistance in navigating the process.

1.01 State Financial Assistance for Acquisition of a Community by Homeowners

In order for a Homeowner or Homeowners Association to offer a competitive bid in the acquisition of their community, they may need financial assistance. This may be in the form of a low interest loan or grant to help the Homeowners.

1.27 Manufactured Housing Advisory Committee

Having a committee dedicated to the issues surrounding manufactured housing would benefit both homeowners and land/community owners. Both would have a venue in which to discuss issues with professionals from a variety of areas. These professionals would help provide insight and guidance.

1.17 Legislative Committee

A legislative committee would be assigned to listen to manufactured housing concerns from homeowners and landowners. Members of this committee would provide feedback to legislators who may refine legislative needs for manufactured housing. Having a continuous forum would allow the industry to continue to evolve.

1.22 Private/Public Partnership to Change the Perception of Manufactured Housing in the State of Delaware

As perception of manufactured housing is not always a positive one, this would unite different manufactured housing groups to build positive perceptions of the homes and communities.

- 1.26 **Public/Private Partnership to Expand Manufactured Housing**
As land availability decreases, there may be opportunities for municipal, County or State lands to be developed as manufactured home communities. These could then be managed by an experienced manufactured housing community provider.

- 1.28 **Evaluation of the use of Recreational Vehicles (RVs) as Housing**
RVs can be a very low-cost source of year-round housing if they meet certain criteria, but whether or not they would or should qualify as affordable housing remains to be seen. A study group would be created to undergo this task. Perhaps if RV's "pass" the test, the group could further go on to establish regulations.

Attached is a more detailed description of each of the above mentioned solutions to maintaining and adding to the manufactured housing and affordable housing inventory. Any one of these alone or in combination with others, would help in making this an affordable option for persons with limited income.

D
R
A
F
T

Appendix A

DRAFT

Title A1.21

Wrap Around Support Services

What is the nature of the proposed legislation?

This legislation would provide wrap around services for manufactured homeowners as well as existing and future affordable housing owners/renters. The support provided would relate to medical services, food, financial/budgeting assistance, and other needs which promote housing security.

Why is the legislation necessary?

Findings that show that many homeowners/renters lack the necessary resources, both financial and non financial, to maintain their homes to provide a healthy, happy, and stable lifestyle which contributes to our community. Households below the 40% income level are even more in need of additional wrap around support services relating to medical, food, financial/budgeting assistance, and other needs which promote housing security.

What positive effect will it have?

This will give the homeowner/renter the resources to solve problems and ask the appropriate questions to increase their housing security.

Where will it reside in the Code?

This will reside in a place to be determined and it should be an effort for both renters and homeowners.

Initial funding

Initial funding would be around \$1 million to \$1.5 million per year.

How will it be implemented?

Implementors of this program would seek to go to the actual sites of affordable housing, such as in a mobile home park, to provide information about the resources available. These visits may be multiple times a year or maybe once a month. Services would provide information about resources, but may also bring the resources to the households. Additionally, we should imagine this as a mobile or transportable classroom type effort so therefore we may need a bus or some other type of vehicle where multiple people can come in at a time and listen to information or receive services. The impact of this program will produce a more informed individual that can advocate for themselves and if that is the case, then we would expect costs for other programs such as medical and financial emergencies to potentially decline over time.

Title A1.03

Chattel vs Real Property

What is the nature of the proposed legislation?

The purpose of this legislation is to ensure that manufactured homes (HUD homes) if placed on a permanent foundation and on a fee simple lot are treated as real property and on leased land can receive a leasehold deed.

Why is the legislation necessary?

HUD homes considered chattel have limited options for financing. The existing financing options for chattel are often at a high interest rate. Once the homes are no longer treated as chattel, there is a much wider field of financing opportunities for the homeowner. At this time, it is unclear whether certain municipalities are allowing HUD housing to be treated as real property if the home is on a permanent foundation. This legislation would provide clarity on this issue and remove these homes from the DMV.

What positive effect will it have?

Homeowners will be able to receive similar financing as compared to non-HUD homes, if it is available.

Where will it reside in the Code?

Title 25, Chapter 70, Subchapter 1, Definitions

How will it be implemented?

This will be implemented by direction through Delaware State Code. The Department of Housing would be responsible for notifying existing HUD homeowners and persons who sell HUD homes that this law has passed. The Department of Housing should also be in contact with lenders to the extent that they are aware of the change in status of the HUD homes so that they can be prepared when homeowners/buyers of HUD homes seek products to finance their homes.

Title A1.24

Home Improvement Grants for HVAC, Exterior Roofing and Siding

What is the nature of the proposed legislation?

A change in the state law broadening of grant program eligibility to include manufactured homeowners for maintenance of their homes. These grants would be to provide home improvement funds for HVAC, exterior roofing and siding to manufactured homeowners so the unit stays intact and the longevity of the unit increases.

Why is the legislation necessary?

At this time, the Delaware State Housing Authority provides grants to fee simple homeowners under a certain income. However, manufactured homeowners are not eligible for such grants, but should be as maintenance of a home, whether stick built or manufactured, is important to the safety and security of the people who live within them.

What positive effect will it have?

The homeowner receiving the grant will have a more secure dwelling unit.

Where will it reside in the Code?

In Chapter 70, Title 25.

Initial funding

TBD

How will it be implemented?

It will be implemented through notices to the manufactured homeowner.

Title A1.07

Establishment of a Voucher Program for Manufactured Housing for HUD and non HUD housing

What is the nature of the proposed legislation?

The purpose of this legislation is to create an affordable housing trust fund that would have two components. The first component would provide vouchers to individuals and families with incomes less than 40%, and the second would provide grants to encourage the building of more affordable housing.

Why is the legislation necessary?

Manufactured housing and non manufactured housing residences are being challenged in their ability to remain affordable to the homeowners/renters. As a result, we are seeing more housing insecurity today than we have seen in recent times. Given the shortage of affordable housing the State needs to support the individuals and families in this demographic group so they can sustain their housing resource. If their sustainability ceases, they have a real chance of becoming homeless. It has been well documented that housing security provides benefit throughout our community through healthy lives, better education, safe environments and a happier person.

What positive effect will it have?

This would allow for residents who are economically burdened for a greater level of housing security..

Where will it reside in the Code?

Separate Chapter in the Delaware State Code

How will it be implemented?

Affordable housing is our community's responsibility – not the developer, not a foundation but the entire community's. First, the whole state is having all of its real estate assets reassessed. Next, industrial, retail churches, synagogue, hospital, universities and the like would contribute to a trust because they all benefit. The first objective would be to raise \$150 million through assessing every property in the state. In reality, given the total value of the property in the state of Delaware, this is not an excessive millage. Second, out of the general fund of the State of Delaware, \$150 million would be contributed as well. The total of the fund would then be \$300 million. The State would have the ability to provide grants (for development of affordable communities/homes) and vouchers up \$300 million. This is a meaningful amount of money to provide for vouchers. This would benefit both manufactured housing (HUD) and non-manufactured housing owners and renters. The implementation of the voucher program would be scaled – those closer to 40% median income would receive a smaller voucher and those in poverty would receive a larger voucher.

It is our Delaware community's responsibility to solve affordable housing, not any one developer business, church or the like.

Title A1.10

Voucher Information for Manufactured Housing Homeowners

What is the nature of the proposed legislation?

This legislation would have a dual purpose. The first is to provide information to manufactured homeowners about what a voucher is, how to apply for a voucher and what to expect from the State's voucher program for manufactured housing. The second part of the legislation would enhance the amounts for vouchers as a homeowner becomes financially more house burdened/insecure.

Why is the legislation necessary?

By its nature, manufactured housing has an economically insecure demographic. Frequently manufactured homeowners are not aware of the voucher program and the government has not made an effort to outreach to this demographic. As a result, there is low participation in the voucher program by manufactured homeowners.

What positive effect will it have?

By reducing housing insecurity, a homeowner and their family end up being healthier, happier, safer and less of a burden on our communities.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

To be determined.

How will it be implemented?

This program will be implemented through the Department of Housing.

Title A1.11

Tie Down Grants for Manufactured Homeowners – Eligibility for Vouchers

What is the nature of the proposed legislation?

To provide funding for tie down systems for manufactured homeowners so they are eligible for vouchers.

Why is the legislation necessary?

A requirement for a manufactured home to be eligible for a voucher is that they be tied down to the ground. Until 2005 most installations of manufactured homes did not have tie downs as part of their foundation system. In many cases this is a catch 22 – a person who requires a voucher in most cases will not have the funds to install a tie down system. This grant would enable them to have a tie down system and then be eligible for a voucher.

What positive effect will it have?

This grant would enable homeowners to have a tie down system and then be eligible for a voucher.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

To be determined

How will it be implemented?

This will be implemented by application and review through the Department of Housing.

D
R
A
F
T

Title A1.23

10-Year Tax Abatement on New Manufactured Homeowners with Incomes Less than 40% the Median Income

What is the nature of the proposed legislation?

A homeowner who buys a manufactured home with an income of less than 40% of the median income of the State of Delaware would receive a 10-year tax abatement for both County and School District tax assessments.

Why is the legislation necessary?

Households below the 40% median income are characterized as shelter poor and therefore do not have the resources to be housing secure. One of the benefits of manufactured housing is their low cost of production and ability to house people with lower incomes and still provide them with a degree of housing security. Their housing security can be increased marginally by abating County and School District taxes for a 10-year period, and possibly provide a more positive environment for them to live in.

What positive effect will it have?

Strengthening the financial condition of the homeowner.

Where will it reside in the Code?

In Chapter 70, Title 25.

Initial funding

TBD

How will it be implemented?

It will be implemented through notices to the manufactured homeowner.

Title A1.15

Video/PowerPoint Presentation for All New Homeowners of Manufactured Homes in Manufactured Home Communities

What is the nature of the proposed legislation?

Upon signing a lease, a new manufactured homeowner would view a PowerPoint/video presentation of their responsibilities and rights under the laws of the State of Delaware.

Why is the legislation necessary?

In many cases a manufactured homeowner does not know their rights and responsibilities regarding their manufactured home and the ground it sits on. An example of this is the eviction process and where to seek help. This presentation would be about 10 minutes in length and provide the homeowner with basic information on the how, where and why of their rights and responsibilities, and who to contact for remedies. As part of the presentation the homeowners would receive a sheet of where to seek assistance with any problems they have.

What positive effect will it have?

Education will empower the new homeowners in manufactured home communities.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

Minimal -possibly by grant.

How will it be implemented?

This will be implemented under the guidance of DOJ, CLASI and the First State Manufactured Housing Association

Title A1.09

Petition for Receivership

What is the nature of the proposed legislation?

To provide for the Chancery Court of Delaware to handle receivership of a manufactured home community.

Why is the legislation necessary?

At this time, receivership issues are handled in the JP court and given the monetary size, experience, and complexities of a manufacture home community the chancery court is a more appropriate venue for this issue.

What positive effect will it have?

The chancery court can handle cases in a more expedited methodology and if a tenant/tenant group or AG office feels it needs to be put into receivership, then the chancery court could handle this in an expeditious manner especially if there were a health and safety issue.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

N/A.

How will it be implemented?

Tenants with receivership issues will go to Chancery Court.

D
R
A
F
T

§ 7061. Petition for receivership.

Any tenant or group of tenants may petition for the establishment of a receivership in a Justice of the Peace Court for landlords directly owning 25 rental lots for manufactured homes or less and Chancery Court for landlords directly owning more than 25 rental lots for manufactured homes, upon the grounds that there has existed for 5 days or more after notice to the landlord of any the following:

(1) If the rental agreement or any state or local statute, code, regulation, or ordinance places a duty upon the landlord to so provide, a lack of heat, or of running water, or of light, or of electricity, or of adequate sewage facilities.

(2) Any other conditions imminently dangerous to the life, health, or safety of the tenant.

66 Del. Laws, c. 268, § 2; 82 Del. Laws, c. 38, § 48;

D R A F T

Title A1.29

Solar Farm Subsidization for Manufactured Home Residents

What is the nature of the proposed legislation?

To enable manufactured home communities to establish solar farms within the community to reduce overall electrical costs. These solar farms would be installed in excess open space or on adjacent properties if available.

Why is the legislation necessary?

Many older manufactured housing communities have underutilized open spaces within them or are adjacent to farm or other properties without existing structures. The State would utilize these types of parcels to develop solar facilities using some subsidies since manufactured home residents typically do not have the resources to invest in solar platforms.

What positive effect will it have?

We would reduce the cost of electricity to manufactured homeowners thus increasing housing security.

Where will it reside in the Code?

In Chapter 70, Title 25.

Initial funding

TBD

How will it be implemented?

Implemented by the Delaware State housing Authority

Title A1.18

First Time Buyers Program for Manufactured Home

What is the nature of the proposed legislation?

The State of Delaware's Housing Authority would develop a first-time homebuyer program for manufactured housing purchases with a low down payment requirement and a low interest rate.

Why is the legislation necessary?

It is difficult for people to become homeowners as first timers in manufactured home communities.

What positive effect will it have?

This would expand opportunities for affordable housing.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

To be determined.

How will it be implemented?

This would be implemented through State Law.

D
R
A
F
T

Appendix B

DRAFT

Title A1.14

Landowner/Community Management Education

What is the nature of the proposed legislation?

To have the managers of manufactured home communities go through an initial management certification program. The program would include a once a year refresher and an every five year recertification to ensure that the managers of a community understand the State Code and the obligations that are required.

Why is the legislation necessary?

To ensure that the manager(s) act appropriately when interacting with homeowners and providing services in the community. Further, not to jeopardize the homeowner-landowner relationship given the fact that the tenant may not have equivalent resources that the landowner may have.

What positive effect will it have?

By ensuring that the managers know the obligations and responsibilities to the homeowners, a better homeowner-landowner relationship will occur.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

To be determined

How will it be implemented?

This would be implemented through the Department of Justice

D
R
A
F
T

Title A1.08

Landlord Essential Services Requirements

What is the nature of the proposed legislation?

The landlord will hire a third party to produce a property condition report based on ASTM International guidelines to ensure essential services are provided to the manufactured homeowner.

Why is the legislation necessary?

There have been occurrences where landowners have not maintained the quality of their communities to minimum standards and therefore homeowners are negatively impacted.

What positive effect will it have?

This will ensure that on a periodic basis, through a third party inspection, homeowners will be provided a standardized analysis to ensure essential services are kept in minimum shape, workable, serviceable and the community is habitable so it is safe for the residents.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

Self funded.

How will it be implemented?

The landowner must submit a report to the Department of Justice for review and if it is not completed, the report, or the work needed to bring the community to standards, then the community owner cannot raise rents.

§ 7007A Landlord Essential Services Requirements

(a) The inhabitability of any manufactured home community shall include such community being in structural condition and the providing a tenant access to potable water, electricity, and other utilities with existing connections.

1) Structural condition shall mean a community's infrastructure meets applicable Delaware Code standards in effect at the time of installation and/or such code updates otherwise applicable to the community.

a. Infrastructure shall mean any and all water, utility and sewer feeds, storm water management, roadways and parking areas and any and all common areas available for tenant use.

(b) A landlord shall be required to have an independent qualified inspection of any community in the frequency established herein following a community's initial inspection as required under guidelines and reporting requirements established by the Delaware Attorney General's office to ensure requirements stated in (a) are fully functional for tenant use.

1) Independent qualified inspection shall mean an inspection of items referenced in (a) above by an inspector properly trained to perform inspections in accordance with ASTM International's guidelines for Property Condition Assessments.

a. An initial inspection shall be performed following the twentieth anniversary year of the community's initial opening.

b. An inspection of privately supplied and maintained water and/or septic systems shall be conducted every five years following an initial inspection.

c. An inspection of all other infrastructure components shall be conducted every ten years following an initial inspection.

d. Any inspection under this section shall be concluded by April 15th of each inspection year.

e. All inspection reports shall be sent to the respective ombudsman having jurisdiction over these matters as established under Delaware law as well as any current tenants occupying lots within the community.

(c) Should an inspection required in subsection (b) result in a failure of any functional component essential to items outlined in subsection (a) above, a landlord shall repair or replace such item to meet the requirements of subsection (a) to ensure requirements stated in subsection (a) are fully functional.

1) A landlord that fails an inhabitability inspection shall not enter into any rental agreement or permit occupancy of any lot within the community until appropriate repairs or replacements are completed.

2) A landlord shall have completed all repairs and/or replacements to re-establish proper functioning of any identified failed item by October 15th of the year of inspection or otherwise have an agreement in place to do so with the Delaware Attorney General's office to do so by a later specified date.

(d) A landlord that fails to repair or replace any item that failed an inhabitability inspection within thirty (30) days of the October 15th deadline established above without an extension beyond such deadline granted by the respective ombudsman's office having jurisdiction over these matters as established under Delaware law, shall be required to forego increasing lot rent until such repairs and/or replacements are completed.

(e) Any repairs or replacements made due to a failed inspection shall not be deemed complete until such repairs or replacements are re-inspected by the inspector issuing the failed inspection report.

DRAFT

Title A1.12

Grandfather Existing Manufacture Homeowners to the Current Rent Control Structure Requirements and Rental Assistance Program

What is the nature of the proposed legislation?

Existing homeowners in a manufactured home community as of the date of the proposed legislation would be grandfathered in to the current law and they would be protected by the existing rent control requirements and rental assistance program.

Why is the legislation necessary?

This is to provide continuity for existing homeowners in manufactured home communities.

What positive effect will it have?

This is to provide continuity for existing homeowners in manufactured home communities.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

N/A

How will it be implemented?

This will be implemented through State law.

D R A F T

Title A1.13

New Manufactured Homeowners in Existing Communities Not Subject to Current Laws, Notification

What is the nature of the proposed legislation?

All new manufactured homeowners in existing manufactured home communities would not be subject to the current rent control regulations or rental assistance programs, and a disclosure must be provided to each new homeowner in a manufactured home community that they are not protected by either program.

Why is the legislation necessary?

Given the accumulated loss in manufactured housing homesites in the State of Delaware estimated to be in excess of 6,800, Delaware must incentivize landowners to stay within the business and not continue this loss of affordable housing resource.

What positive effect will it have?

Hopefully this will mitigate the loss of manufactured home communities in the State of Delaware.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

N/A

How will it be implemented?

This will be implemented through State law.

D
R
A
F
T

Title A1.25

Education of Community Owners on Rural Grant Programs to Rehabilitate and Revitalize Private Sewer and Water Systems

What is the nature of the proposed legislation?

This program will educate community owners who operate their property utilizing private water and sewer systems, on grants available so their systems can be maintained and in good working order which will extend the longevity of the parks and reduce the chance of closures based on deficiencies.

Why is the legislation necessary?

Over the last decades, rural community owners have not maintained their private water and sewer systems leading to failures which affect the homeowners causing them hardships.

What positive effect will it have?

It will reduce hardships on the homeowners and extend the life of a community at little cost to the land owner.

Where will it reside in the Code?

In Chapter 70, Title 25.

Initial funding

TBD

How will it be implemented?

It will be implemented through notices to the manufactured homeowner from DNREC.

D
R
A
F
T

Title A1.20**Tax Credits for Subsidization of Renters Who Are Below the 40% Median Income****What is the nature of the proposed legislation?**

The State of Delaware would provide tax credits to the landowners to subsidize reduced rents for renters who are below the 40% median income level.

Why is the legislation necessary?

One of the impacts of the rent control laws in Delaware and the potential growth of the rental assistance programs mandated by the State which are paid for by the landowners is a continued decrease in the number of manufactured home communities in the State of Delaware. To reduce this decline in this resource, the State would subsidize the differential between a market rate established by the State Housing Authority and the prescribed rental rate as in the rental code, and that difference would be funded through tax credits provided by the State of Delaware.

What positive effect will it have?

Reduce and mitigate the loss of manufactured housing capacity in the State of Delaware.

Where will it reside in the Code?

TBD

Initial funding

TBD

How will it be implemented?

Through State law.

Appendix C

DRAFT

Title A1.05

Zoning Regulations and Manufactured Home Communities

What is the nature of the proposed legislation?

To permit manufactured housing communities in any residential zoning district as long as there is public water and sewer, or a community septic system regulated by the State of Delaware, and operated by an unrelated third party, and private water system regulated by the Department of Public Health, and operated by an unrelated third party.

Why is the legislation necessary?

Each of the three Counties in Delaware has very explicit and exclusionary zoning regulations regarding manufactured housing. There have been no new manufactured home communities built since the late 1980s, early 1990s and in most cases they are almost impossible to receive positive zoning outcomes. Under this regulation each County would permit, as long as the infrastructure was in place, a manufactured housing community to be built by just fulfilling any site concurrency requirements as established in the County.

What positive effect will it have?

This would allow for a simpler entitlement process and there would be more manufactured housing communities.

Where will it reside in the Code?

Title 25, Chapter 70, Subchapter to be created

How will it be implemented?

It would be implemented by the Counties through State law.

Title A1.04

Zoning Regulations for Manufacture Home Communities

What is the nature of the proposed legislation?

The purpose of this proposed legislation is to permit Manufactured Housing in any residential zoning district and with that create an oversight process and/or design based regulations of homes placed in existing subdivisions to ensure that the architecture of the existing surrounding community is preserved. Additionally, the home shall be placed on a permanent foundation and meet any standard required by the community. Any deed restriction that excludes manufactured housing will be considered discriminatory and null and void by this legislation.

Why is the legislation necessary?

Manufactured housing is excluded as potential housing in many subdivisions due to deed restrictions. In other cases, it is never thought of as a potential type for fear that it will have a certain style and look which is inaccurate and based on historical misperceptions.

What positive effect will it have?

Manufactured housing is cheaper on a square foot basis and therefore would allow families to lower their cost of housing and provide more affordable opportunities.

Where will it reside in the Code?

Title 25, Chapter 70, Subchapter to be created

How will it be implemented?

It would be implemented by the Counties through State law.

Title A1.16

Requirement of an Engineering Plan in lieu of a Zoning Plan to build a Manufactured Home Community

What is the nature of the proposed legislation?

Based on A1.04, a land developer can bypass a zoning and just do a record plan with conforming engineering requirements as long as:

1. The land has a community septic system which is run by a third party and under DNREC review on a three year basis, or public sewer; and
2. The land has a private well under third party control and reviewed regularly by the Department of Public health or public water.

Why is the legislation necessary?

The most controversial rezonings in the State of Delaware are manufactured housing, not to mention that rezonings are expensive and time consuming. However, creating manufactured home communities is one of the easiest and quickest methods of creating affordable housing. To incentivize land developers to create manufactured home communities, this would allow them to would bypass the zoning process if they met infrastructure standards as described above.

What positive effect will it have?

More affordable housing may be created.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

N/A

How will it be implemented?

This would be implemented through State Law.

Title A1.06

Traffic Impact Studies and Manufactured Home Communities

What is the nature of the proposed legislation?

To revise the level of service standards for traffic impact studies related to new manufactured home communities when they include at least 20% inclusionary affordable housing with a median income at or less than 40%. If the proposed community meets this criteria it would be exempt from a traffic impact study and any level of service requirements and/or contributions for traffic improvement districts (TID). This exemption would apply to fee simple lots where more than one HUD home is creating a smaller community.

Why is the legislation necessary?

In many cases there may be land available, but it will not be able to be developed due to a County's traffic regulations and required contributions to DelDOT's revolving funds. These requirements are counter to the needs and efforts of creating affordable housing. Additionally, the way traffic improvements are staged in the State of Delaware, the last person/organization studying an area of influence for a traffic study will be responsible for correcting any failed conditions. Every developer in front of this project will make no contribution to their traffic generation and the last developer has to pay for the entire traffic burden. This is counter to a fair and equitable sharing process and as a result, if it is to continue, the affordable housing residents would need to pay the burden for prior developers thus making it not affordable.

What positive effect will it have?

This would allow for manufactured home communities to be developed even if traffic concurrency is not met.

Where will it reside in the Code?

Title 25, Chapter 70, Subchapter to be created

How will it be implemented?

It would be implemented by the Counties through State law.

Title A1.19

Exemption of Manufactured Housing from the Voluntary School Assessment.

What is the nature of the proposed legislation?

Given the fact that manufacture housing is an exceptionally low cost production source of housing, if the residence is a primary home and in a new park, it would be exempt from the Voluntary School Assessment (“VSA”).

Why is the legislation necessary?

The VSA is a regressive tax. As written in the Delaware Code, if you were to have a new home worth millions of dollars in Centerville, of 15,000 square feet and a new mobile home worth \$100,000 in Centerville, the VSA fee would be equal. In fact, if the new home in Centerville had 15 bedrooms and the manufactured home only had three, the fee would be the same for each property. From the attached exhibit, even though there are exemptions from paying the tax, as stated in Title 14, Chapter 1, Subchapter I, Section 103, there is a limit of 5%, this would still be significant whereas with the house that cost millions of dollars, the fee would be de minimus.

What positive effect will it have?

This would reduce the cost of any impact fees on manufactured housing and make it available to more people/families who are interested.

Where will it reside in the Code?

Title 14, Chapter 1, Subchapter 1.

Initial funding

N/A

How will it be implemented?

Through Delaware State Law

TITLE 9

Counties

New Castle County

CHAPTER 26. Zoning

Subchapter II. The Quality of Life Act

§ 2661. Information from state and local agencies and school districts

(2) Notwithstanding the foregoing provisions of this subsection, no certificate of adequate school capacity shall be required where either: (i) the residential development is restricted by recorded covenants to provide housing or shelter predominantly for individuals 55 years of age or older pursuant to the Federal Fair Housing Act [42 U.S.C. § 3601 et seq.]; (ii) the residential development is for low income housing, which, for purposes of this , shall be defined to mean any housing financed by a loan or mortgage that is insured or held by the Secretary of HUD or the Delaware State Housing Authority or which is developed by a nonprofit corporation certified under § 501(c)(3) of the United States Internal Revenue Code [26 U.S.C. § 501(c)(3)]; or (iii) the applicant has pledged, in a writing recorded and running with the subject property, to pay a Voluntary School Assessment in an amount determined pursuant to § 103(c) of Title 14, for each lot for which the applicant would otherwise be required to obtain a certificate.

TITLE 14

Education

Free Public Schools

CHAPTER 1. Department of Education

Subchapter I. Composition, Organization and Administration

§ 103. Powers, duties and functions of the Secretary

(c) The Secretary shall calculate a voluntary school assessment, which applicants shall have the option of paying in lieu of any school certification required by §§ 2661 or 6961 of Title 9 or § 842 of Title 22. Voluntary school assessments shall be calculated on a per unit basis for each project that seeks to pay such assessments in lieu of certification as follows by:

- (1) Calculating the average cost (including offsite roadway improvements for the school required by the state transportation department, land or, if the school district already owned such land, the then-fair market value of such land at the time of construction), per child, for the average new public schools (1 elementary school, 1 middle school, 1 high school) constructed with state assistance as determined by the State of Delaware School Construction Technical Assistance Manual prepared by the Delaware Department of Education (as such manual exists as of June 30, 1999, such manual to be updated for purposes of this calculation on earlier than July 1, 2005, and thereafter updated as the Department normally updates such manual);
- (2) Multiplying that number by the local percentage share then required by state law of the local school district in order to receive state capital assistance;
- (3) Multiplying the resulting figure by 0.50, representing the average number of school-aged children projected to be housed within each residential unit, provided that in no event shall the voluntary school assessment exceed 5% of the total cost of the residential unit.

Appendix D

DRAFT

Title A1.02

Financial Advisor for Homeowner or Homeowners Association Acquisition of Manufactured Home Communities

What is the nature of the proposed legislation?

This legislation would have the State provide a financial advisor to assist manufactured homeowners or homeowners association in a given manufactured home community to purchase the community.

Why is the legislation necessary?

At times, manufactured home community landowners desire to sell their communities. Under Title 25, Chapter 70, Subchapter 4, Right of First Offer, if a landowner owner intends to sell their community they must offer it to the homeowners or homeowner association first. There is a strict procedure in that part of the Code (which is attached) for selling a community.

Title 25, Chapter 70, Subchapter 4, is meant to empower homeowners to be able to have a say and purchase their community if given the opportunity. However, it is a complex, regulatory process. Not to mention that if the process of a home can be daunting for many homeowners, then the process of coming together as a community to make a multi-million dollar purchase may seem unachievable. Therefore, there should be a program in place to aid the homeowners through this process.

What positive effect will it have?

Homeowners will have a better chance of succeeding in taking advantage of the opportunity provided them.

Where will it reside in the Code?

Title 25, Chapter 70, Subchapter 4 of Delaware Code.

How will it be implemented?

This program will be implemented by the Delaware State Housing Authority. The Delaware State Housing Authority shall hire and provide a financial advisor to homeowners or homeowners association desiring to purchase their community with expertise in the acquisition of a manufactured home community. The duties of this advisor shall include but not be limited to research on the viability of the acquisition, if the homeowners are following the procedures correctly, and advocating for them to ensure that the landowner is following the procedures set forth in the Code.

Title A1.27**Manufactured Housing Advisory Committee****What is the nature of the proposed legislation?**

Creation of a manufactured housing advisory committee of which members will consist of a person from each of the following: Attorney General Ombudsman, Delaware State Housing Authority, Delaware Manufactured Home Relocation Authority, First State Manufactured Housing Association and Delaware Manufactured Homeowner Association, House of Representatives, Delaware Senate, Governor's office, Delaware Department of Health and Social Services, and DNREC. Meetings would also be open to the public for comment. The group would listen to both homeowners and landowners to try to resolve concerns which either party might have and to facilitate and ensure that agencies are acting on the needs of both homeowners and landowners.

Why is the legislation necessary?

Many times over the last decades, homeowners and landowners have no way to have their voices heard with some of the administrative functions of our government. Also, the Committee on Manufactured Housing was dissolved in 2023. Manufactured home issues are then referred to the Housing Committee, however, due to the unique situation of manufactured housing, are not able to be adequately addressed.

What positive effect will it have?

Communication between all the parties involved will be improved and third parties from their area of expertise better help resolve issues.

Where will it reside in the Code?

In Chapter 70, Title 25.

Initial funding

N/A

How will it be implemented?

This group would meet a minimum of four times a year.

Title A1.01

State Financial Assistance for Homeowner or Homeowners Association acquisition of land for manufactured housing communities.

What is the nature of the proposed legislation?

At times, manufactured home community landowners desire to sell their communities. Under Title 25, Chapter 70, Subchapter 4, Right of First Offer, if a community owner intends to sell their community they must offer it to the homeowners or homeowner association first. There is a strict procedure in that part of the Code (which is attached) for selling a community. To assist the community owners in purchasing the community, the State would have a financial very low interest rate loan program and/or grant.

Why is the legislation necessary?

Since 2021, it has been difficult for communities to be purchased by their homeowners because of the high land valuations. For the homeowners or homeowners association of a community to be able to produce a competitive purchase offer, they would need to receive some type of grant or subsidized loan. This would assist the homeowners or homeowners association with any shortfall in funding needs to match investors who desire to buy the park. Therefore, the State of Delaware Department of Housing should establish a low interest loan program and/or grant program to assist the residents in purchasing the community. The terms and conditions of this financial commitment would be determined at the time of the transaction.

What positive effect will it have?

By having a grant or very low interest rate mortgage, the homeowners or homeowners association will have a better chance at purchasing the community with the additional financial capacity to acquire the property.

Where will it reside in the Code?

Title 25, Chapter 70, Subchapter 4 of Delaware Code.

Initial funding

It is recommended that the initial sizing for the grant or loan should be a minimum of \$5 million with an annual increase of \$2.5 million per year.

How will it be implemented?

This program will be implemented by the Delaware State Housing Authority.

Title A1.17

Quarterly Legislative Committee on Affordable Housing to Listen to Manufactured Home Community Landowner and Homeowner Concerns

What is the nature of the proposed legislation?

To have a continuous forum to listen to manufactured housing concerns for both landowners and homeowners in Legislative Hall which would be chaired by the chairs of the Housing Committee of the Senate and House. It would meet on a quarterly basis with two additional representatives from the manufactured housing industry and the homeowners.

Why is the legislation necessary?

To provide feedback to legislators and to continue to refine legislative needs for manufactured housing.

What positive effect will it have?

To balance the needs of all the stakeholders in the manufactured housing industry.

Where will it reside in the Code?

Title 25, Chapter 70, Delaware Code.

Initial funding

N/A

How will it be implemented?

Through State Law.

DRAFT

Title A1.26

Establish a Study Group for Private/Public Partnership for Joint Ventures with Community Owners on Public Lands

What is the nature of the proposed legislation?

Development of a study group to look at opportunities where a private/public partnership can be created to utilize municipal, County or State lands to be developed as an manufactured housing community where the rental rates will be controlled and the homeowners can be managed well by an established manufactured housing firm.

Why is the legislation necessary?

There are not many private sites available to build manufactured housing communities in the State of Delaware.

What positive effect will it have?

More manufactured housing/manufactured housing communities.

Where will it reside in the Code?

In Chapter 70, Title 25.

Initial funding

TBD

How will it be implemented?

Through Requests for Proposals

D
R
A
F
T

Title A1.28

Study Group to Evaluate the Use of Recreational Vehicles (“RV”) as an Alternate Year-Round Housing Source

What is the nature of the proposed legislation?

The purpose of this study group would be to see if RVs are an acceptable method of year-round housing, which, if they are, would create an additional source of even less expensive housing, and portable, for use in Delaware.

Why is the legislation necessary?

RVs can be a very low-cost source of year-round housing if they meet certain criteria. For instance, if an RV unit is habitable, meaning kitchen, bathroom with running water, sewer hook-up and electricity, it may be considered habitable and usable as a year round residence.

What positive effect will it have?

This would add to the inventory of affordable housing and would be easy to develop with higher density.

Where will it reside in the Code?

In Chapter 70, Title 25.

Initial funding

N/A

How will it be implemented?

This study group would be implemented through the Delaware State Housing Authority.

Title A1.22

Private/Public Partnership to Change Perception of Manufactured Housing in the State of Delaware

What is the nature of the proposed legislation?

Delaware State Housing Authority, First State Manufactured Housing Association, and Delaware Manufactured Homeowners Association would work together with a grant from the State and First State Manufactured Housing Association to build positive perceptions regarding manufactured housing communities and manufactured homes.

Why is the legislation necessary?

Since the beginning of the use of manufactured homes as a housing type, there has been a negative or less desirable perception of the actual dwelling unit and the people that live in them. Even though these perceptions have changed some over the last decades, there is still more work to do in a marketing program describing the benefits of the communities and the dwelling units. This would go a long way to opening the process for this type of housing.

What positive effect will it have?

Greater acceptance of manufactured housing and the persons who live in these dwelling units in our communities.

Where will it reside in the Code?

This would be a bill proposed by the legislature and be run on the operating budget.

Initial funding

\$48,000 per year.

How will it be implemented?

Through the three organizations – Delaware State Housing Authority, First State Manufactured Housing Authority and Delaware Manufactured Homeowners Association.

Source Materials

D R A F T

**Affordable Housing Production Task Force
Manufactured Housing Subcommittee
Source Materials**

“Affordable Housing” as Metaphor; Steven J. Eagle; 2017

Challenges to Obtaining Manufactured Home Financing; Laurie Goodman and Bhargavi Ganesh; June 2018

The Curious Institution of Mobile Home Rent Control; Carl Mason and John M. Quigley; 08/14/2006

The Definition of Affordable Housing: Concerns and Related Evidence; Gary Pivo, Ph.D.; 09/16/2013

Design-Based Regulations for Manufactured Urban Infill Housing; Charles Brent Runyon; 2005

Economic Analysis of Rent Controls in a Mobile Home Context: Placement Values and Vacancy Decontrol; Werner Z. Hirsch and Joel G. Hirsch; 1988

Evolution of Policy for Affordable Housing Programmes in Malaysia, Haidaliza Masram & Siti Hajar Misnan; 12/08/2018

Glossary of Terms to Affordable Housing; U.S. Department of Housing and Urban Development; 08/18/2011

How Americans Define Affordable Housing; Carrie L. Johnson, Ph.D., Brooke Hanson, M.A., David Evans, Ph.D., Jinhee Kim, Ph.D., Andi Long, Julie Fife

The Impact of Manufactured Housing on Adjacent Residential Property Values: A GIS Approach Based on Three North Carolina Counties; Mulatu Wubneh and Guoqiang Shen; March 2024

The Importance of Affordable Housing in Terms of Its Definition, Changing Image and Reframing in Society; Brigitte Steinhoff

Investigation of Current Industry Strategies to Reduce the Cost of Financing a Manufactured Home; Maryam Kouhirostami, Abdol R. Chini, Ph.D., and Mahya Sam; 2023

Manufactured Housing Communities in Delaware: The Basics; Eileen Divringi; June 2024

Opportunity to Purchase Policies: Preserving the Affordability of Manufacture Home Communities; Julie Gilgoff; 09/08/2023

Personal, Not Real: Manufactured Housing Insecurity, Real Property, and the Law; Esther Sullivan; 05/19/2022

A Review of Barriers to Greater Use of Manufactured Housing for Entry-Level Homeownership; Christopher Herbert, Alexander Hermann, Daniel McCue and Chadwick Reed; January 2024

Statewide Housing Needs Assessment (Prepared for Delaware State Housing Authority); Root Policy Research; November 2023

What is Affordable Housing; Mia Chapman and Lauren Lowery; 01/08/2024

Why Advocates Need to Rethink Manufactured Housing; Richard Genz; 2001

Zoning Barriers to Manufactured Housing; Daniel R. Mandelker; Spring 2016

Initial Presentation

Paper Highlights: A Review of Barriers to Greater Use of Manufactured Housing for Entry-Level Homeownership

D
R
A
F
T