

Approved Manufactured Housing Subcommittee Recommendations

Recommendations were grouped into four categories based on the impacted stakeholder(s):

1. Manufactured Homeowners/Potential Manufactured Home Buyers
2. Land/Community Owners
3. Developers
4. Overall Industry

Each recommendation is accompanied by supporting information provided by Subcommittee Chair Jerry Heisler.

1. Manufactured Homeowners/Potential Manufactured Home Buyers

- **Recommendation 1.21: Wrap Around Support Services** - 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.
 - **Supporting Information:**
 - **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.

- **Recommendation 1.03: Chattel vs. Real Property** - 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.
 - **Supporting Information:**
 - **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.

- **Recommendation 1.24: Home Improvement Grants for HVAC, Exterior Roofing and Siding** - 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.
 - **Supporting Information:**
 - **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.

- **Recommendation 1.07: Establishment of a Voucher Program for Manufactured Housing for HUD and non HUD housing** - 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.
 - **Supporting Information:**
 - **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.

- **Recommendation 1.10: Voucher Information for Manufactured Housing Homeowners –** 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.

- **Supporting Information:**
 - **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.

- **Recommendation 1.11: Tie Down Grants for Manufactured Homeowners – Eligibility for Vouchers** - To provide funding for tie down systems for manufactured homeowners so they are eligible for vouchers.
 - **Supporting Information:**
 - **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.

- **Recommendation 1.23: 10-Year Tax Abatement on New Manufactured Homeowners with Incomes Less than 40% the Median Income** - 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.
 - **Supporting Information:**
 - **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.
- **Recommendation 1.15: Video/PowerPoint Presentation for All New Homeowners of Manufactured Homes in Manufactured Home Communities** - 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.
 - **Supporting Information:**
 - **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
 - **Recommendation 1.09: Petition for Receivership** - To provide for the Chancery Court of Delaware to handle receivership of a manufactured home community.
 - **Supporting Information:**
 - **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.

- **Recommendation 1.29: Solar Farm Subsidization for Manufactured Home Residents** - 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.
 - **Supporting Information:**
 - **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

- **Recommendation 1.18: First Time Buyers Program for Manufactured Home** - 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.
 - **Supporting Information:**
 - **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.

2. Land/Community Owners

- **Recommendation 1.14: Landowner/Community Management Education** - 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.

- **Supporting Information:**
 - **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

- **Recommendation 1.08: Landlord Essential Services Requirement** - 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.
 - **Supporting Information:**
 - **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.

- **Recommendation 1.12: Grandfather Existing Manufacture Homeowners to the Current Rent Control Structure Requirements and Rental Assistance Program** - 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
 - **Supporting Information:**
 - **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.
- **Recommendation 1.20: Tax Credits for Subsidization of Renters Who Are Below the 40% Median Income** - 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.
 - **Supporting Information:**
 - **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.

3. Developers

- **Recommendation 1.05: Zoning Regulations and Manufactured Home Communities** - 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.
 - **Supporting Information:**
 - **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

- **Recommendation 1.06: Traffic Impact Studies and Manufactured Home Communities -**
 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.
 - **Supporting Information:**
 - **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.

- **Recommendation 1.19: Exemption of Affordable Housing from the Voluntary School Assessment –** Exempt affordable housing projects (meaning projects in which at least 20% of units are priced to be affordable to households making up to 80% of Area Median Income) from the Voluntary School Assessment.
 - **Supporting Information:**
 - **Why is the legislation necessary?** The VSA is a regressive tax.
 - **What positive effect will it have?** This would reduce the cost of any impact fees on affordable housing.
 - **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

4. Overall Industry

- **Recommendation 1.02: Financial Advisor for Homeowner or Homeowners Association Acquisition of Manufactured Home Communities** - 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.
 - **Supporting Information:**
 - **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.
- **Recommendation 1.27: Manufactured Housing Advisory Committee** - 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.
 - **Supporting Information:**

- **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.

- **Recommendation 1.01: State Financial Assistance for Homeowner or Homeowners Association acquisition of land for manufactured housing communities** - 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.
 - **Supporting Information:**
 - **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.

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.

- **Recommendation 1.22: Private/Public Partnership to Change Perception of Manufactured Housing in the State of Delaware** - 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.

- **Supporting information:**

- **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.