ENVIRONMENTAL JUSTICE FOR MANUFACTURED HOME COMMUNITIES

A call to conversation and to action to improve the quality of life of Manufactured Home Community residents.

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About This Commentary

Collectively, Manufactured Home Community (MHC) residents represent more than 6% of the U.S. population and have an income of just half of a typical U.S. homeowner. A high percentage of this community lives in floodplains and has historically had little to no representation in their water investments. This population faces gentrification, an above-average energy burden, and frequent displacement if they can't pay ever-increasing rent.

I hope this commentary will serve to raise the visibility of MHC challenges and potential solutions. I aim to light a fuse as it relates to conversation, action, and justice for MHC residents.

-- Tee Thomas

Read the *Health Affairs Forefront* article inspired by the initial draft of this commentary!

The past few years have forced our society to reckon with and work to address income gaps and disparities in class and race. I have been grateful to witness multi-sector collaborations (and to play a small role in several) that leverage advocacy, philanthropy, private enterprise, and government policy to address these issues, and even consider reparations to the degree possible. However, one community seems to be conspicuously unnamed and overlooked in these environmental justice initiatives, to such a degree that it almost feels purposeful.

I'm talking about manufactured home communities (MHCs) or mobile home parks, as your parents might refer to them. Or, as your grandparents might refer to them, trailer parks.

Collectively, MHC residents represent more than 6% of the U.S. population and have an income of just half of a typical U.S. homeowner. A high percentage of this community lives in floodplains and has historically had little to no representation in their water investments—no councils and little oversight. This population faces gentrification, an above-average energy burden, and frequent displacement if they can't pay ever-increasing rent.

Upon hearing this, you're likely thinking, 'This sounds like an emergency, and we should all be pulling the alarm!' Well, you're right.

In the almost 20 years that I've worked in the water field, I have had a peripheral view of the challenges of MHCs. I hated writing MHC drinking water permits when I worked at the Iowa Department of Natural Resources. They always had violations when we went out on inspections and endless compliance permits that the landowners couldn't seem to address. When I worked on the environmental review team for the Iowa Department of Transportation, we tried to do community engagement with MHCs in the general vicinity of our projects. Even when I joined Vermont's Department of Environmental Conservation (DEC) working in their State Revolving Fund (SRF) program, we fielded what felt like multiple calls to hear about projects that no one really had the money or capacity to pull off. So, MHCs were always just sort of *there,* in my periphery.

It wasn't until the Vermont legislature required DEC to analyze our water financing programs and evaluate how we could amend them to better serve MHCs that I got a real taste of what these communities lacked and what they needed. Vermont had a small but vocal group of advocates who had seen the consequences of these communities trying and failing to access SRF funding.

That simple legislative report led us to pull a thread to address water financing inequities, and what I found was a complex system, with a series of interconnected issues that included and went beyond how to fix water infrastructure. It's an insidious domino effect that once you enter, once you *really* look at the inner workings, you can't unsee it. I have spent the last few years using any available platform to advocate for these communities, but often find that it's not sufficient to piecemeal lay out the challenges and some potential solutions.

So, I hope this commentary will serve to raise the visibility of MHC challenges and potential solutions. I hope to provide those who fight for MHCs with a centralized resource to engage partners in understanding and tackling issues specific to MHCs.

What are Key Challenges for MHC Residents?

This section provides an overview of several of the key challenges MHCs face and provide context for the recommended actions outlined below.

Income Disparity and Stigma

The average annual household income of manufactured homeowners is $36,000 less than that of the traditional residential homeowner. More than a quarter of manufactured homeowners make less than $20,000 annually, and two-thirds make less than $50,000. Income levels are especially low in rural MHCs. For example, income surveys conducted in the 11 rural MHC cooperatives within Vermont show that, on average, 60% of households earn just half the state median household income.

I remember the first time I heard the term “mobile home price” which, it turns out, refers to the jacked-up price that contractors often bid to MHCs to do water infrastructure work. I worked with a community that had bids returned at double the estimated amount and was doing some checking to figure out what happened. It was explained to me that MHCs are perceived as complicated, with difficult characters that make projects less lucrative. I later heard this more cruelly referred to as the “garden gnome effect,” which roughly translated to something along the lines of: would you rather mow a nice straight lawn without obstructions, or would you rather have to go to the trouble of mowing around tons of garden gnomes?

Studies show that MHC occupants have poor social status and are subject to class and race-based stereotyping. Residents have been subject to discrimination, including characterizations such as "trailer trash." The most frequent portrayal is that of transient and out-of-work families in filthy trailer parks and homes. In reality, these communities can be great places to live, moving manufactured homes is costly, and finding suitable relocation locales is typically challenging.

Social perceptions of MHC residents as migratory, unattached, and a drain on local resources intersect with planning and zoning practices that relegate MHCs to inferior and marginalized parcels within local communities, according to research completed about a place-based nexus referred to as "socio-spatial stigma.” Unfair zoning laws can constrain manufactured home placement. Local city and county governments use various land-use planning methods to limit the use of manufactured homes as an available source of affordable housing. Some of these methods include outright bans, lot size restrictions, layering of multiple ordinances, density requirements, only allowing placement in MHCs, age restrictions, non-conforming uses, and more.

Predatory Investors

Most of these communities are owned by private for-profit investors or by aging "mom-and-pop" operators who are starting to retire. For that reason, MHCs are rapidly being purchased by investors. *The New York Times* reported in 2022 that institutional investors accounted for 23% of MHC purchases during the previous two years, up from 13% in the two years before that. This has made investors among the country's largest MHC landlords. Industry leaders don’t mince words about why they should invest: Mobile Home University’s “boot camp” for potential investors clearly states that “tenants can’t afford the $5,000 it costs to move a mobile home keeps revenues stable and makes it easy to raise rents without losing any occupancy.”

Once purchased by these investors, rates increase and evictions begin, services decrease, and investments in critical infrastructure (including water) are limited. These predatory tactics aren’t only the work of shady and secretive companies. Berkshire Hathaway and Blackstone are among the largest owners of MHCs nationally. Worse yet, the U.S. government is underwriting this extractive practice. The Lincoln Institute of Land Policy estimates that Freddie Mac alone financed $9.6 billion in MHC purchases across 44 states since 2014.

These investments are being made every single day, deliberately *because* the MHCs are typically lower income and have fewer alternative housing options. In the investor-owned MHC, residents have no council meetings to vote and make improvements in their sewer system or energy infrastructure. There is no mayor that can be voted out of office. There's not even a public utilities office that reviews the rates charged to these communities to ensure the increases are affordable, reasonable, and justified.

Access to Services

While we're discussing stigma, have you ever taken a moment to wonder why MHCs are located where they are located? The stigma mentioned above often pushes them out of urban and more affluent areas.

This results in these communities being functionally disconnected from services, including hospitals, police stations, schools, and fire stations. Several studies have identified that manufactured homes and MHCs are located further away from favorable public amenities/services and closer to sources of environmental and noise pollution than other forms of dwellings in the same location. A Houston-area housing study showed that MHCs have less access to jobs, less walkability, and less transit connectivity. Rural areas are estimated to account for more than half of all manufactured homes in the United States.

Natural Disasters and Climate Impacts

As you're probably starting to note, many of these issues overlap, inform one another, and cannot be addressed alone. We've discussed the location of MHCs (many think their ideal place is out of sight) as it relates to their disconnection from the larger community. However, these locations also create the perfect conditions for one of our nation's biggest climate justice challenges.

Many MHCs in the United States were built before current floodplain restrictions and were built on low-value, flood-prone properties. When updated floodplain rules and restrictions took effect, many MHCs were recognized as "legal non-conforming uses" under municipal regulations, which means they can remain in place even if their usage is no longer permitted, effectively grandfathering them in place. Jurisdictions have long exercised so-called constructive exclusion, authorizing MHCs only on lands where they already exist. This makes it hard for MHC owners to make significant modifications to their property, even if it is located in flood-prone or hazardous areas. Any changes would result in new and costly requirements, perhaps rendering the MHC unable to continue.

Manufactured housing communities often have higher concentrations of socially vulnerable households that are relatively less prepared for disasters (heightening the risk of post-disaster regulatory exposure). MHC residents must overcome several costly bureaucratic hurdles to rebuild, such as obtaining flood development permits and elevating their homes. After a Colorado flood, one article found that 50% of MHC respondents reported a disruption in their employment. These disruptions included reduced hours, reduced pay, loss of employment, or being forced to change employers. Researchers identified that these disruptions were due to their displacement and the time burdens associated with accessing recovery resources. They also found that just 7% of MHC respondents had flood insurance, compared to 23% of single-family and multifamily dwelling respondents.

Other climate-related challenges to the manufactured housing population include risks of tornadoes and increasing numbers of wildfires. Manufactured home residents are known to be highly vulnerable to tornadoes and account for a considerable portion of tornado-related fatalities. MHCs are also particularly vulnerable to wildfire, and much of the housing stock lost in recent years in the west due to fire has been in MHCs. If not allowed to rebuild in a more sustainable way, this further depletes access to affordable housing.

Further, when housing is severely damaged in a disaster, owners must rebuild to current codes and standards, a process known as post-disaster regulatory exposure. In one case study, MHC residents had to overcome several costly bureaucratic hurdles to rebuild, including obtaining flood development permits and elevating their homes. The stigmas associated with MHCs most certainly influenced views of displaced MHC households' needs, the likelihood of their return, and, as a result, recovery decisions. This study also showed that local officials had assumed that MHC households were temporary or transient. One interviewee described how the lack of contact from the MHC population validated their belief that they did not have a strong desire to return. In that survey, just 11% of MHC households reported regularly communicating with local government officials before the disaster, compared to 54% of households living in single-family and multifamily housing.

There are limited ways to relocate, purchase, or repair homes following a disaster. FEMA pays very little for old manufactured homes, and community members are often unable to afford a conventional mortgage. There are also limited financial institutions that will provide a mortgage for a home in an MHC. This causes issues and social-economic vulnerabilities for individuals remaining in their uninhabitable homes. There are federally funded property "buyout" programs to offer flood-affected homeowners pre-flood market value for their homes. This can help those affected relocate out of hazardous areas. However, the buyout program only offers 75% percent of home value and is typically insufficient to cover moving costs for low-income individuals. Additionally, an American Society of Civil Engineers article cited that unfamiliarity with MHCs by state and federal agencies administering the grant monies is a key barrier to overcome.

Water Infrastructure Needs

Infrastructure needs within these communities continue to be a focal point as most communities were built during the late 1900s and now have aging systems. Septic pumping, finding and fixing water line breaks, upgrading energy systems, and piecemeal projects of various sorts are all expensive and time-consuming. These projects often use up the limited capacity of MHCs and prevent them from navigating complicated infrastructure funding.

Further complicating this issue, MHCs have expensive infrastructure. Although all MHCs face significant infrastructure challenges, rural communities are particularly vulnerable, given the high percentage of communities with onsite wells and onsite wastewater treatment. Approximately 103 of the 160 rural non-profit MHCs in New England (64%) have onsite wastewater treatment, and 85 of 160 (53%) have onsite well water and water treatment. Onsite systems like these tend to be more expensive per capita to maintain and replace. Their useful service life is often shorter than systems tied to municipal water and wastewater distribution.

In Vermont, a self-reported inventory of water infrastructure needs (including drinking water, wastewater, and stormwater) from Vermont's Department of Environmental Conservation identified more than $74 million in need, with only 28% of MHCs surveyed. As these costs are multiplied across states, the needs become staggering and they are largely unaccounted for in currently available funding. Residents who own their MHC tend to be motivated to invest in infrastructure upgrades and maintenance, but financing and completing the work remains nearly impossible. As discussed, MHCs are often primarily occupied by persons of lower income. This means that lot rents and fees must stay modest to remain affordable, making it challenging to plan for and fund expensive infrastructure projects without assistance.

Limited Access to Public Funding

Supporting small, rural, and under-resourced communities is priority #1 in the water world, as it should be. However, MHCs tend to occupy a grey space, making it difficult to approach most of the water infrastructure financing available, particularly the Clean Water State Revolving Fund (CWSRF), Community Development Block Grant (CDBG), and USDA Rural Development.

Let's pretend for a minute that these communities have the capacity to navigate these programs (spoiler alert: they don't, but stick with me). CDBG and CWSRF heavily favor municipal applicants. In all cases, CDBG funding for MHCs has to be passed through the relevant local municipality. While there are a handful of state CWSRF programs that offer financing directly to private entities, by and large, the standard access path to the nation's largest water infrastructure funding source is via a municipal pass-through. These mechanisms sound simple enough, but in practice are extraordinarily difficult to pull off. Municipalities may have their own stereotypes about these communities, lack the capacity to administer this type of loan, or may not want to risk political capital on an MHC investment when they have their own municipal "asks" to make of their public.

Moreover, these programs—CWSRF, CDBG, and USDA—are most definitely not geared toward MHCs lacking human and technical resources. In many cases, MHCs lack the capacity to keep the ever-changing patchwork of programs and resources on their radar. The current technical assistance networks to help MHCs access funding is fragmented and inefficient. Current applications for water infrastructure resources are often developed using informal combinations of consultants and contractors who either lack experience working with MHCs or have not worked with these water financing sources.

The U.S. EPA has made Justice 40 a national push to address inequities in the water space and recently awarded $150 million in grants to seed Environmental Finance Centers (EFCs) to help under-resourced communities access water infrastructure funds. However, there is not as of yet, an identified focus area at the EPA level to name MHCs as a vulnerable community and to begin to shape resources *uniquely* to serve MHCs. We hear a lot about small and rural communities in general, but manufactured home communities don't currently fit these existing definitions. You can't push money to an MHC in the same way as a municipal wastewater treatment plant project.

Where To Go From Here?

Trying to absorb this complicated system may make you say to yourself—so is this pointless? This outlook may appear bleak at first—there's an invisible population with no autonomy, no money, and no connection to the communities around them, suffering from climate, economic, water, and health inequities. This is a complicated, systemic problem that cannot be solved by taking on only one head of the multi-headed beast. But systems are created by people, and the good news is that systems can also be reworked by people.

There are tangible actions that can be taken to rewrite a more equitable narrative for these communities.

1. **Divestment or Shareholder Advocacy:** We vote with our dollars and most of us don't want our investments, or those of the companies we support, to go toward extractive and immoral practices. There is power in the transparency of these extractive and exploitive investments. Divestment is the opposite of *in*vestment, meaning simply that we should know who is buying up these

communities for profit, then be able to follow the food chain of investors to understand the economic ecosystem that perpetuates these abuses. When we find out that our favorite clothing brand is perpetuating child labor in some foreign land, we don't simply say, well, it's not the fault of the designer who lives down the street from me, it's the factory that sews together the t-shirts. No, there is a public outcry to say, hold on, we as consumers don't support these kinds of abuses in an entire supply chain, and I am no longer interested in buying that product. Consumers have the right to seek out more ethical brands, putting market pressure on the original offending company to change practices and right the wrong. MHCs abuses aren't happening tens of thousands of miles away, but rather, are silent and invisible humiliations, happening daily to the poorest among us. Developing and pursuing a targeted divestment strategy is needed to remove some of the kindling behind this domino effect, to drive down costs, and to help these communities function as, well, communities, as opposed to rounding errors in some billionaire's portfolio.

There also is a case for shareholder activism to drive change from the inside, as we saw with Engine No. 1 and Exxon Mobil. Similarly, with MHCs the case can be made for long-term shareholder value to be created by providing high-quality services to stable, sustainable communities, instead of extractive practices that hurt residents and de-value communities. Whether we choose to divest or stir up some good trouble from the inside, we must act, not simply be passive investors along for the ride.

2. **Create "Right of First Purchase" Laws:** The ultimate paradigm shift in these communities comes from a transition away from for-profit ownership to a cooperative ownership model. In a traditional for-profit model, the individual owners possess their homes, but the community owner controls the land the homes sit on. In a cooperative model, epitomized by the Resident Owned Cooperative or ROC, community members still own their homes as well as an equal share of the ground beneath them. The members themselves control lot rents and direct investments.

   While this model is truly transformative, it is really only possible in states that give community members the legal option to purchase the community from the owner when it comes up for sale. These "right of first purchase" states don't require owners to do more than give members time to come up with the cash for this purchase. ROCs and their affiliates are typically very active in these states and help to secure financing for these acquisitions, build up local capacity, help establish the ownership model, and serve as advocates interfacing with local, state, and federal entities. This model is an about-face for this population, giving them autonomy, agency, and a sense of community ownership – perhaps for the first time ever.

   As you may have connected the dots, recommendation #2 is deeply intertwined with #1. Owners in these states must give MHC members a certain amount of time to become cooperative owners, but the price is driven sky-high by investors. Oddly enough, the current system pits billionaires' directly bidding against some of the most financially vulnerable among us. Lower the investment appetite, lower the buying fever pitch, encourage for-profits to sell their ownership at a reasonable price, and increase the change of cooperative ownership.

3. **Access to Low-Cost Acquisition Financing:** Once given the ability to purchase their own community, ROC advocates struggle to cobble together financing for the acquisition. The stigma of an unpredictable, transient population persists, even to lenders, and MHCs are seen as risky investments. Access to the sub-market rates can be a game changer, providing more financial bandwidth for the community to deal with later water infrastructure investments. These inflated

acquisition prices, driven by extractive investors, are often financed at high interest rates. Lower rates would allow the community to retain the capacity to invest in their water and other infrastructure needs.

4. **Tailor How Water Money is Offered to Fit MHCs:** Whether we're talking about the actual funding and financing, or technical assistance to build technical, managerial, and financial capacity in the community, the current playbook needs to be tossed out and rewritten. States should completely re-assess their CWSRF programs to re-tool them to serve MHCs through direct loans and additional subsidies. These programs must acknowledge the dearth of consultants and contractors willing to work in these communities and create additional resources, such as focused technical assistance dollars, to provide "buffers" or liaisons between the community and their water / environmental engineers. These pre-development and wraparound services are really the grey space where needed projects are proposed but stall out before they can move forward—including accounting, completing all the needed pieces of paper, interfacing with state officials, and translating engineer-speak to residents. EPA should identify MHCs as a primary need for investment in their Justice 40 initiatives and should include additional EFC-like support aimed at changing this narrative.

5. **Study and Amplify MHC-Specific Issues:** In writing this commentary, it became clear just how understudied these communities are. There are pockets of strong research, particularly out of the University of Vermont and University of Colorado. That said, the data compiled here was cobbled together from multiple geographies, one-time reviews by various organizations, and often single-issue research that did not explore the systemic challenges. There are so many pieces of information that we don't have about MHCs that we do have for other vulnerable and under-resourced communities. How many have access to other community amenities such as broadband and recreational infrastructure, including green space? What is the true panorama of climate vulnerability in these communities? How are social and environmental determinants of health tracked across these populations versus controls? We were able to find statistics here and there and did our best to pull them together in this piece , but much needs to be done in this area by way of both advocacy and academia. EPA's EJ Screen looks at environmental data for a variety of populations (people of color, limited English speaking, etc.) but is silent on any cohesive MHC datasets for states and technical assistance providers to use to inform affordability decisions. These communities are uniquely complex, they're not going anywhere, and need to be named, studied, and incorporated into policy and action in order to perpetuate real change.

While these issues may feel too complex or overwhelming to tackle, there is a renewed interest in addressing systemic environmental justice challenges.

There has never been more funding available, more of a public outcry against these abuses, and a greater desire for a more equitable future than now.

The purpose of this article is to light the fuse as it relates to conversation, action, and justice for MHCs and their residents.

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