

Mobile Home Parks

The HOME Program provides flexibility for providing assistance for manufactured housing and the manufactured housing homesite; both homeownership and rental. Because the homesite is often owned by a non-profit while the homes are privately owned, confusion may arise over identification of project type (i.e., rental, existing homeowner, homebuyer) and occupancy requirements. The following are some basic guidelines:

- When HOME assistance is used only with respect to the homesite (i.e., acquisition, site improvements, rehabilitation of the homesite), whether for rental or ownership, and the manufactured homes are owned by the residents, the project is designated as an **existing homeowner** project.
- When HOME assistance is used to rehabilitate an existing owner-occupied manufactured home or to replace a substandard manufactured home, the project is designated as an **existing homeowner (homeowner rehabilitation)** project. The definition of reconstruction includes the replacement of an existing substandard manufactured housing unit with a new or standard manufactured housing unit. The decision of replacement versus rehabilitation is left to VHCB's discretion based upon the condition of the manufactured home and the feasibility of rehabilitation. Please see below for additional considerations and requirements related to homeowner rehabilitation projects.
- When HOME assistance is used for projects in which the manufactured housing is offered for rent, the project should be reported as a **rental** project.
- When HOME assistance is used to acquire a new or existing manufactured home for homeownership (but not to replace an existing unit) that is set on a rented homesite, the project should be reported as a **homebuyer** project.

It may be possible to have more than one type of project on one site. That will be the case if HOME funds are used to assist in the development of a manufactured housing community and to assist in the rehabilitation or acquisition of manufactured housing for ownership opportunities. In that case, both rental and ownership rules apply and affordability requirements are differentiated between renters and homeowners.

One family may also be represented under two different projects. If a family is assisted in rehabilitating a manufactured home and the manufactured home is then placed on a rental lot which was also assisted with HOME funds, the family would be associated with both a homeowner rehabilitation project and assistance to existing homeowners.

Residents of owner-occupied mobile homes on HOME designated lots must have incomes at or below 80% of median upon initial income certification.. As a requirement of the HOME Program, tenants must provide household income information including third party documentation prior to HOME assistance being provided for rehabilitation of the home. These certifications must be submitted to VHCB with the application for HOME funding. Recertification is required if more than six months elapse between initial certification and the disbursement of HOME funds.

Income restrictions apply throughout the HOME Affordability period. Income restrictions will apply to any subsequent sales of mobile homes on HOME designated lots and certification of household income is required for purchasers of the home throughout the affordability period.

High and low HOME rent restrictions do not apply to lot rents of owner-occupied mobile homes. The Uniform Relocation Act requirements prevent rent increases for one year following acquisition.

HOME Requirements and Restrictions for Homeowner Rehabilitation Projects

The maximum HOME subsidy is based on the number of bedrooms in mobile homes that sit on HOME designated lots. If the award is greater than \$6,000 per lot, VHCB limited equity policy applies. A copy of this policy is included in the following pages.

Parks must meet state codes and have all permits for electrical, water and sewer systems and owner-occupied mobile homes on HOME designated lots must meet Vermont State Housing Authority's Housing Quality Standards (HQS). Typical repairs needed to meet HQS include: smoke detector and fire extinguisher installation, gfi outlets in kitchens and bathrooms, at least one window meeting Labor and Industry egress standards per bedroom, an insulated and water-tight home envelope, and insulated skirting.

Mobile homes cannot have an appraised value which exceeds the 203(b) mortgage limit. These limits are established by HUD and are available at VHCB and through HUD's website. Post-rehabilitation appraisals are required to document compliance with the mortgage limit. In the case of replacement homes, the sales price may be used to establish the value of the home.

The estimated value of the property, after rehabilitation, must not exceed 95 percent of the median purchase price for single family housing in the area.

The housing must be the principal residence of an owner whose family qualifies as a low-income family at the time HOME funds are committed to the housing

All housing assisted with HOME funds is subject to per-unit HOME subsidy limits and to subsidy layering review by the PJ. All HOME-assisted housing must meet the property standards in §92.251.

Allocation of Costs: HOME funds can be used to assist some or all of the housing units in a multi-unit project (§92.205(d)). HOME funds may only be used to pay for the actual eligible costs of the HOME-assisted housing. If the housing units are comparable in terms of size, amenities and number of bedrooms and the development costs are the same, HOME funds can pay, within the maximum per-unit subsidy limits, a percentage of the total HOME eligible costs equal to the proportion of HOME-assisted to total units. When units are not comparable, the VHCB must allocate the HOME costs on a unit-by-unit basis, allocating actual costs for each unit to the HOME Program. To allocate these costs, HOME-assisted units are designated, pro formas developed for the assisted units, and the costs for each unit are tracked. Common costs attributable to HOME-assisted units are determined by calculating the total square feet in HOME units as a percentage of the total square feet in the project. HOME funds can pay for that percentage of common costs.

The HOME regulations also require the manufactured home to be located on land that is owned by the manufactured home owner or on land for which the manufactured home owner has a lease for a period at least equal to the applicable period of affordability.

The HOME regulation allows the "reconstructed" unit to be placed anywhere on the existing lot. This flexibility allows PJs to meet current zoning requirements that might affect the reconstruction site. Thus, when a manufactured home is acquired to replace a substandard manufactured housing unit, it may be placed anywhere on the existing lot.