

# MANUFACTURED HOME COMMUNITIES IN WISCONSIN

Manufactured homes comprise the largest source of unsubsidized housing in the United States. A manufactured home community can be a vibrant neighborhood that is an asset to the community at large. However, because the residents typically own their homes but not the land on which the homes sit, they are uniquely vulnerable—to confiscatory rent increases; arbitrary rule enforcement; failure to maintain the roads, utilities and common areas; and even closure of the community. If the community closes, the neighborhood disappears and many residents are forced to abandon their homes.

Many states have special laws protecting residents of manufactured home communities. Wisconsin's laws provide a few important protections, but have a number of very significant weaknesses.

## WISCONSIN'S MANUFACTURED HOME COMMUNITY LAWS AT A GLANCE

KEY	STRONG PROTECTION	WEAK PROTECTION	NO PROTECTION
Affirmative protections for fundamental freedoms			
Protection against retaliation			
Notice before closure			
Purchase opportunity			
Protection against arbitrary eviction			
Right to sell home in place			
Relocation expenses			
Administrative complaint procedure			
Requires lease of at least one year			
Requires community owner to maintain the community			
Gives residents right to enforce the laws			



This policy snapshot reviews state and local policies that affect homeowners, home buyers, nonprofit dealers and developers and others with a stake in manufactured housing as a source of affordable housing, namely:

- Laws protecting homeowners living in manufactured home communities
- The right to treat manufactured homes as real property
- State programs & policies
- Public financing



### AFFIRMATIVE PROTECTIONS FOR FUNDAMENTAL FREEDOMS

Nearly half of the states affirmatively guarantee fundamental freedoms—such as the right to canvas their neighbors, hold meetings, distribute flyers and invite public officials and candidates to speak—to residents of manufactured home communities. Wisconsin does not provide any affirmative protections for these basic fundamental freedoms.



### PROTECTION AGAINST RETALIATION

Most states, even if they do not provide affirmative protections for fundamental freedoms, at least prohibit community owners from retaliating against residents for exercising these rights. Wisconsin prohibits retaliation against a resident because of joining a resident association, reporting violations of manufactured housing community laws or regulations, or filing suit against a community owner for violations of such laws, but it does not specifically prohibit retaliation for canvassing, holding meetings, inviting public officials to speak or leafleting.



### NOTICE BEFORE CLOSURE

About half the states require a substantial notice period before a manufactured home community closes. Wisconsin does not provide residents any notice prior to the closure of a manufactured home community.



### PURCHASE OPPORTUNITY

The fundamental reason that homeowners in manufactured home communities are so vulnerable is that they do not own the land under their homes. Nineteen states—but *not* Wisconsin—have policies that require or encourage community owners to give residents the opportunity to purchase the land on which their homes sit.



#### PROTECTION AGAINST ARBITRARY EVICTION

Some states protect homeowners in manufactured home communities from eviction or nonrenewal of their lease unless they have done something wrong—failed to pay lot rent or violated a rule or a law. Wisconsin's law provides these protections except that it allows termination for breach of any lease term.



#### RIGHT TO SELL HOME IN PLACE

Manufactured home community owners can effectively prevent homeowners from selling their homes by reserving the right to reject any potential buyer as a resident. Many states—including Wisconsin—prohibit arbitrary rejection of a buyer's application for residency.



#### RELOCATION EXPENSES

About 15 states have programs, usually funded at least in part by community owners, for paying the costs of moving homes if a manufactured home community closes. Wisconsin does not have such a law.



#### ADMINISTRATIVE COMPLAINT PROCEDURE

Some states—but not Wisconsin—offer a simple administrative procedure for resolving residents' complaints about their manufactured home community.



#### REQUIRES LEASE OF AT LEAST ONE YEAR

About twenty states require a manufactured home community to offer homeowners leases of at least a year. Wisconsin provides this protection as well, unless a shorter time is requested in writing by the tenant and agreed to by the community owner. This requirement provides an iota of security of tenure.



#### REQUIRES COMMUNITY OWNER TO MAINTAIN THE COMMUNITY

Many states require the community owner to maintain the common areas, utility service and other services so that they are clean, safe and in good working order. Wisconsin's general landlord-tenant law requires all property owners to maintain common areas, but the state does not have any laws addressing the special maintenance issues of manufactured home communities.



#### GIVES RESIDENTS THE RIGHT TO ENFORCE THE LAWS

Many states specifically give residents the right to enforce the manufactured home community protections. Wisconsin's manufactured home statute does not provide this right. However, a violation of Wisconsin's manufactured home regulations is a violation of the state deceptive practices statute, and residents do have the right to enforce that statute if they are harmed by a violation.

97,373

families live in  
manufactured homes in  
Wisconsin, comprising

3%

of occupied  
housing units.

Many of these  
homes are located  
in Wisconsin's

1,242

manufactured home  
communities or "mobile  
home parks."

## RIGHT TO TREAT MANUFACTURED HOMES AS REAL PROPERTY



The way in which a state governs the titling of manufactured homes, especially when homes may be converted from personal property to real property, has major implications for owners and purchasers. Although a modern manufactured home may be indistinguishable from a site-built home to many observers, it is typically considered personal property, like a car or a television set, rather than real property, absent some sort of conversion to real property. This classification as personal property, along with other issues common to manufactured housing, often keeps homeowners from enjoying the same security and potential for wealth creation enjoyed by owners of site-built homes.

In Wisconsin, a homeowner may classify a home on leased land as a fixture to real property as long as the lease is for more than one year. Classification as a fixture may allow mortgage financing, but it is less clear cut than conversion to real property as allowed in other states, so may still discourage lenders from making mortgage loans to homeowners whose homes are on leased land.

## STATE POLICIES AND PROGRAMS THAT AFFECT **NONPROFIT MANUFACTURED HOUSING** DEVELOPMENT AND PRESERVATION



*Credit: Frontier, 2006*

### **LICENSING ISSUES FOR NONPROFIT HOUSING DEVELOPERS**

Nonprofit housing developers who wish to provide manufactured homes do not face any unusual barriers in Wisconsin. To act as a dealer of manufactured homes, an entity must obtain a license from the Department of Safety and Professional Services Manufactured Home Unit, and salespersons must also be licensed, but the requirements are not so onerous as to act as a market barrier.

### **STATE WEATHERIZATION PROGRAMS AND OTHER MANUFACTURED HOUSING REPAIR OR REPLACEMENT PROGRAMS**

Manufactured Homes are weatherized under the same programs and rules as other kinds of residential households. The 2014-2015 Wisconsin Weatherization Assistance Program Manual from the Wisconsin Division of Energy Services contains specific sections devoted to Manufactured Homes, including: Auditing Mobile Homes with MHEA (10.3); Air and Duct Sealing in Mobile Homes (10.3.1); Maximum Depressurization Guideline, Worst Case Depressurization, Worst Case Draft Testing and the Depressurization Tightness Limit Calculation in 1-4 Unit Buildings and Mobile Homes (10.5.1); Mechanical Ventilation in 1-4 Unit Buildings and Mobile Homes (10.5.3); Air Sealing-1-4 Unit Buildings and Mobile Homes (10.5.5); Mobile Home Measures Summary and MHEA Modeling Requirements (Appendix C).

### **PUBLIC FINANCING**

The Wisconsin Housing and Economic Development Authority (WHEDA) defines a first-time homebuyer as someone who has:

- Never owned real estate.
- Owned real estate but has not lived in the property during the past three years.
- Owned a mobile home but did not own the land.

Manufactured homes are specifically excluded from certain WHEDA programs:

#### **WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA) PROGRAMS**

Program Name	Ineligible Activities
WHEDA Refi Advantage	Borrowers will not be eligible if the property is a manufactured home (there are other exclusions, such as condominiums, credit scores under 620, etc.)
WHEDA Advantage Conventional Loans	Ineligible property types include single and double-wide HUD-tagged manufactured homes
WHEDA Tax Advantage (Mortgage Credit Certificate Program)	Ineligible properties include manufactured housing

According to WHEDA's Financial Statements for the Years Ended June 30, 2014 and 2013, manufactured homes were included in the WHEDA Zero Down loan program, but the Authority stopped accepting new loan applications for this program as of April 14, 2008.

WHEDA is also the Public Housing Agency in charge of administering the Section 8 tenant-based Housing Choice Voucher assistance program, which does include specific provisions permitting the rental of manufactured housing units.



Innovations in Manufactured Homes (I'M HOME) is a national initiative managed by CFED which seeks to ensure that owners of manufactured homes have the opportunity to build wealth through homeownership by improving the quality of new and replacement development, enhancing homeowners' ability to enjoy long-term land security, expanding access to safe home financing and encouraging a supportive policy environment.