



Manufactured Housing and Cooperative Development Presentation

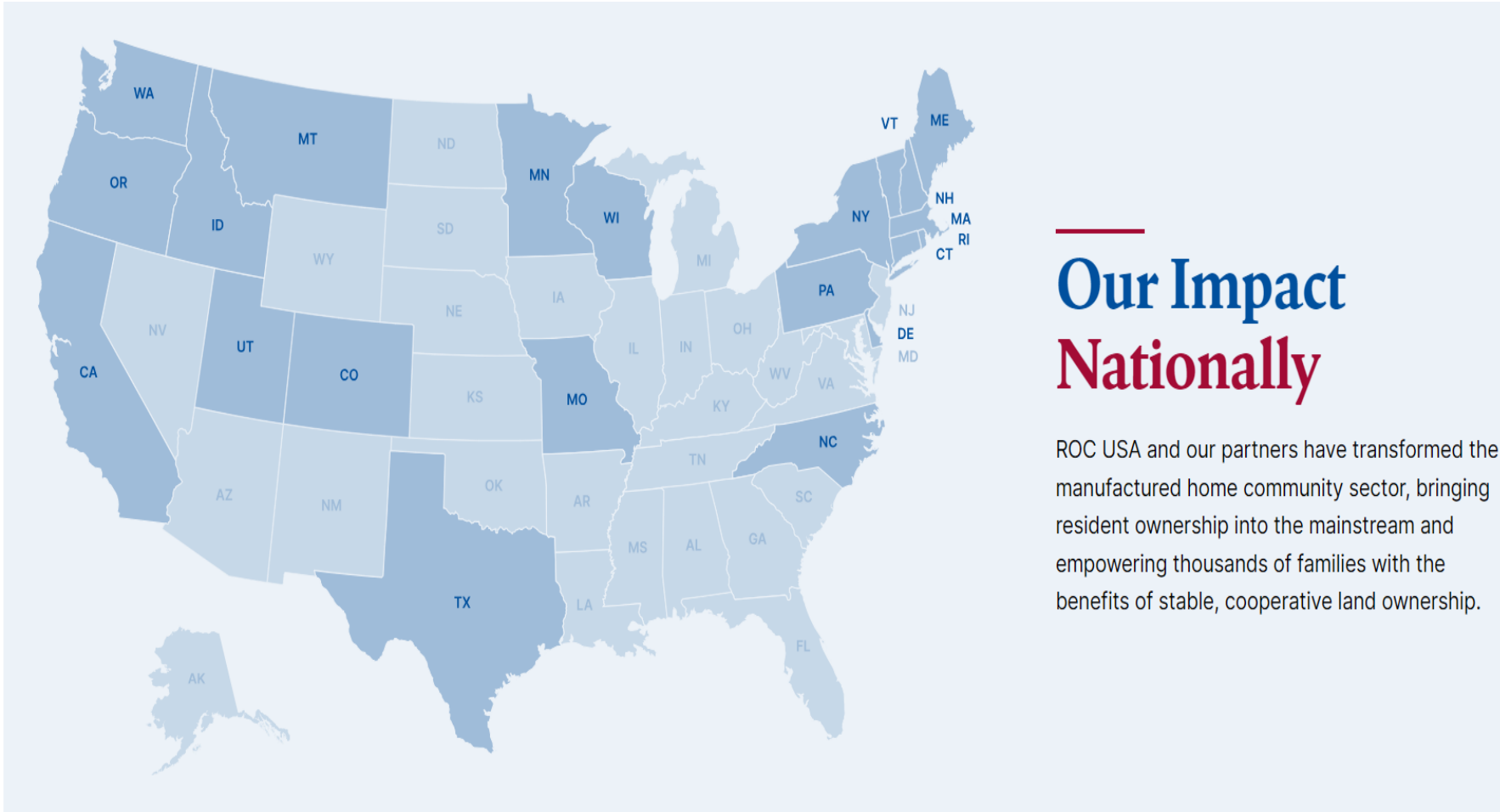
Welcome and thank you for joining us to learn about CASA of Oregon's unique affordable homeownership program. At the end of this presentation, you will be able to explain what a Resident Owned Community is, how residents/homeowners can purchase their manufactured housing community, and how collectively they can avoid displacement and control their housing costs permanently!

CASA of Oregon – A Brief History



CASA is a nonprofit organization that has been local organizations develop housing for agricultural workers and other lower income families and seniors in rural areas for over 30 years. CASA operates statewide and one of its programs, in partnership with ROC USA®, promotes affordable housing by helping residents of Manufactured Home Communities form Resident Owned Cooperatives (ROC).

ROC USA PARTNERSHIP



Our Impact Nationally

ROC USA and our partners have transformed the manufactured home community sector, bringing resident ownership into the mainstream and empowering thousands of families with the benefits of stable, cooperative land ownership.



OUR IMPACT AS A ROC USA Certified Technical Assistance Provider In Oregon

CASA of Oregon has converted **27** manufactured home communities to resident-ownership, representing about **1,800** households.

Two more park and **135** households are in progress through 12/2024.

Annually, CASA evaluates approximately 10 manufactured dwelling parks for preservation, however, we are usually only able to assist 3 park residents due to limited capital availability.



Who owns most of the Manufactured Dwelling Parks in Oregon?

- Private land owners – They control the space rent and have authority over the land and the residents.
- Homeowners are at the mercy of the owner's rent increases (now capped at 10% max in OR)
- Homeowners have no say in how the park is operated even though they pay the space rent
- Homeowners are remain vulnerable to evictions
- Park owners can displace homeowners and redevelop the property for another use (requires one year notice and inadequate relocation benefit)
- Homeowners build the wealth of the park owner, through profits, preferred income tax status and property appreciation



Resident Owned Cooperatives



Resident Owned Cooperatives are the most equitable forms of affordable housing in Oregon. Not only does it preserve housing to be permanently affordable, it is controlled and operated by the homeowners who become members of the Cooperative. The homeowners make all the decisions when purchasing and through-out the operation and they decide what to do with excess cash flow.



Benefits of the cooperative model

- The cooperative corporation holds the mortgage and is responsible for paying the loan payment and operating expenses.
- There is no personal liability to individual members (homeowners) for the debts of the cooperative corporation.
- Members join the cooperative and have one vote per member household. Major decisions are made by a majority vote of the Members.
- Members control the expenses and monthly rent amount. Rents cannot be raised without a majority vote of the members.
- Members share equally in the decision-making.
- The land, roadways and other improvements are owned collectively by the cooperative. Each homeowner still owns their manufactured home.
- Members create and enforce their own rules as determined by the members.
- Members elect a Board of Directors (consisting of current Members) to manage the day-to-day operations of the cooperative.
- Members have a say in how excess funds will be used.



Disadvantages of the Cooperative Model

- Not all will agree with the majority opinion (you may have a minority opinion).
- All residents benefit whether they participate fully in the cooperative or not. Some residents may not participate at all.
- There is increased responsibility and a significant time commitment for the members of Board of Directors.
- You may not like your Board of Directors
- Resident expectations may be too high.
- Members have to enforce the rules against their neighbor.



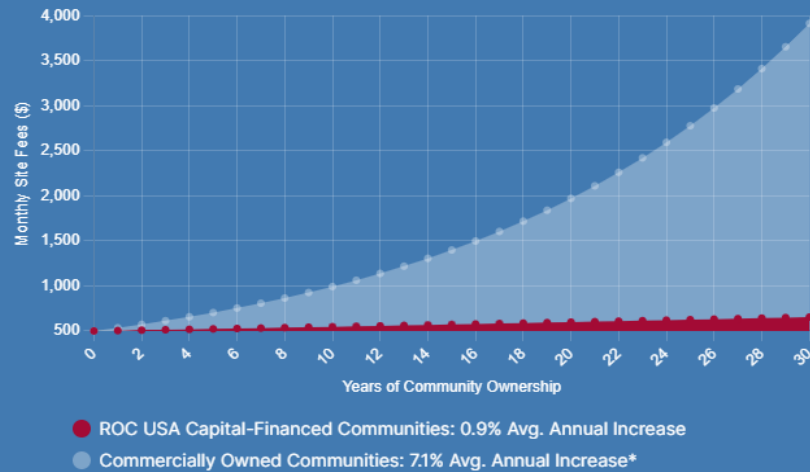
Other Benefits to Homeowners

- **Permanent** affordable housing security through stabilized lot rents. Savings in the homeowner's housing costs means they keep more money in their pockets.
- Wealth-building through homeownership and asset appreciation.
- Democratic control of park operations, community rules and park maintenance.
- Health and safety improvements to park infrastructure.
- Civic engagement.
- Leadership skills development.
- Community engagement with your neighbors
- No fears of being displaced and a greater sense of wellbeing



Long Term Rent Stabilization – ROC USA Analysis

Monthly Site Fee Comparison Over 30 Years



Site Fee Predictor

Resident Owned Communities vs. Commercially Owned Communities

This tool compares site fee increases in two communities, one a ROC where annual increases average 0.9% and the other a commercially owned community, where annual increases average 7.1%.*

Starting Monthly Fee

\$ 500

Years From Now



\$522.91

Future Monthly Rent
Resident Owned

\$704.56

Future Monthly Rent
Commercially Owned

\$4,028.47

Lifetime Savings
For ROC Residents

*MHInsider Magazine, May/June 2024

ROC vs Apartment Rental vs Traditional Homeownership Portland Metro Area

- Average lot rent in 2023 for Oregon ROCs \$507, Metro areas \$568, Rural \$447^{1/}

Annual Income needed for a lot rent in a Metro ROC \$22,720 or \$10.92 Hr.

- Average 2023 2 BR Apartment Fair Market Rent in Portland \$1,850^{2/}

Annual Income or Hourly wage needed for a 2 BR apartment rental \$74,000 or \$35.58 Hr.

- Average 12/2023 average home price in Portland Metro area \$598,000^{3/}

Annual income needed to purchase a median priced home (PITI) \$139,720^{3/} or \$67.17 Hr.

- Average Manufactured Home site rent in 2023 for Portland Metro Area for “all-ages” is \$871 and for 55+ it’s \$895.^{4/}

Annual income needed for a average lot rent in Portland Metro area \$35,320 or \$16.98 Hr.

1/ CASA of Oregon 8/2024

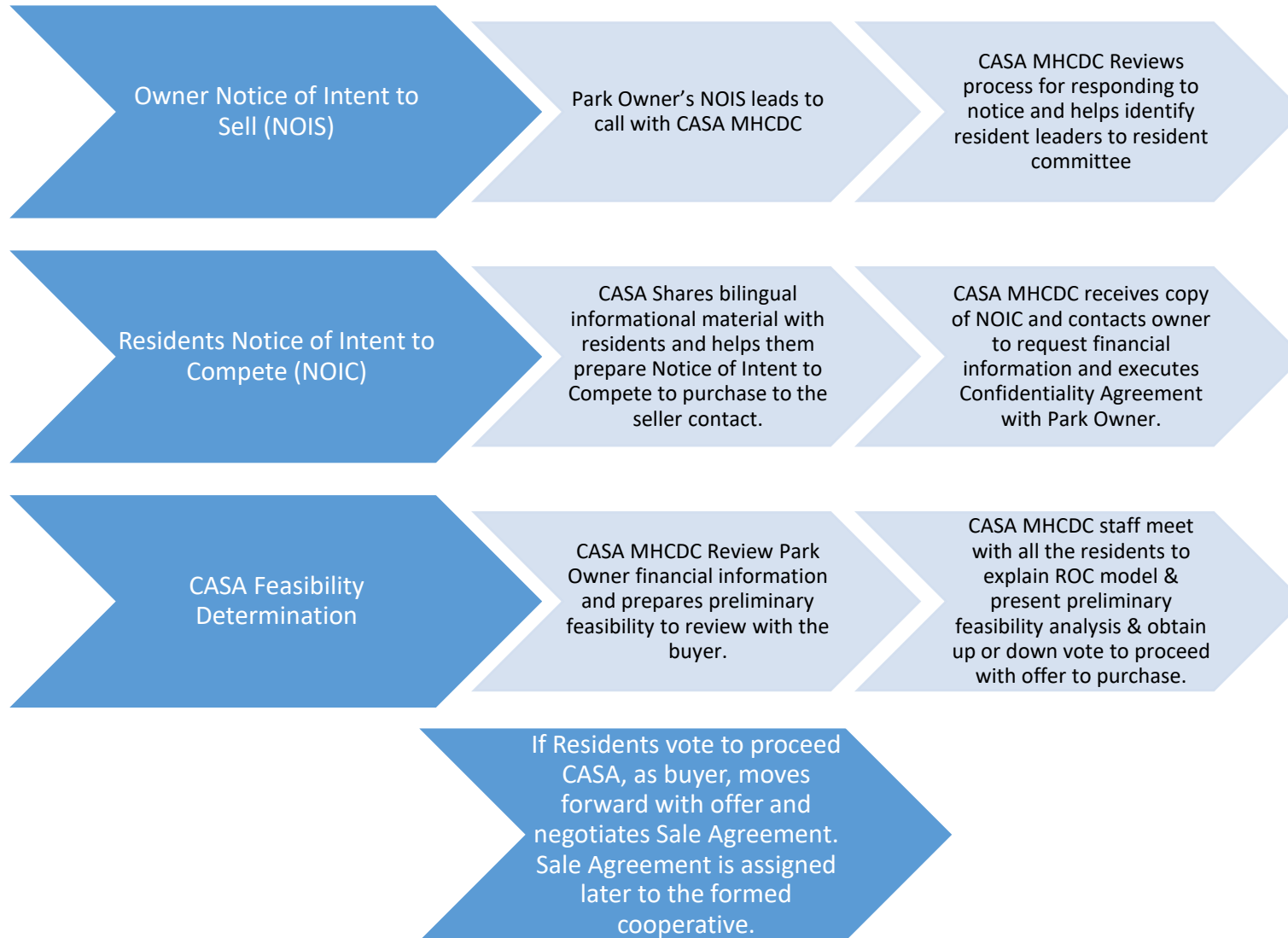
2/ HUD – Covers Portland-Vancouver-Hillsboro Metro areas

3/ RMLS Market Report 12/2023 (assumes 20% down payment, 6%/30 Amort. & estimate is based upon PITI)

4/ JLT Market Report, 12/2023 Portland MSA



The Preliminary Feasibility Process



The Purchase Process

0-30 Days

***30-60 Days**

***60-120 Days**

***120-180 Days**

*Negotiated Sale Agreement may

Flow of the deal



- Residents join new Cooperative
- Elect Cooperative Board of Directors
- Empower Board of Directors to apply for financing, accept assignable purchase & sales agreement

- Works on getting vendor bids for all contracted work: plowing, property and financial management, common area maintenance
- Researches all operating expenses
- Applies for financing
- Hires Engineer to conduct property conditions assessment and environmental site assessment
- Appraisal is ordered
- Develops business plan
- Committee development
- Property management plan development

- Review Engineers' Due Diligence and available financing – vote to proceed or stop the process
- Adopt permanent community bylaws
- Adopt permanent community rules
- Adopt key policies – code of ethics, procurement, and conflict of interest
- Occupancy agreement review/execution/prepare for closing
- Approve budget
- Approve rent amount
- Approve 10-year CIP

- Celebrate and begin to run a well operating business



Technical Assistance to Cooperatives



TECHNICAL ASSISTANCE MANAGER

Board Governance
Operations Support
Business Planning
Budget Prep & Capital Planning



ASSET MANAGER

Budget Prep
Compliance Review
Loan Servicing
Property Manager Oversight



DIRECTOR

State Advocacy
TA Support
Board Training Support
Legal Support
Language Support
Coordinates additional grant
assistance, as needed



ROC USA

National Advocacy
Training & Support –
Board and CASA Staff



To learn More Contact:

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