MISSISSIPPI DELTA
AFFORDABLE HOUSING NEEDS & THE ROLE OF MANUFACTURED HOUSING

Nestled against the Mississippi River in the northwestern part of the state, the Mississippi Delta is one of the poorest regions in the poorest state in the country. Shifting economic forces have eliminated many of the agricultural jobs that used to support the region, unemployment rates are high and local communities have struggled to redevelop their economies. Centuries of racial discrimination and violence continue to shape the economic opportunities of the Delta's residents, and deep racial wealth disparities remain. Lack of affordable housing is a serious problem in the region, but there is limited state and local capacity to address it.

Manufactured housing is one tool for tackling the Delta's housing affordability challenges. This type of housing already makes up a major part of the overall Mississippi housing market, with 15% of the state's residents living in nearly 440,000 manufactured homes. Manufactured housing is also an important—though not quite as prevalent—part of the housing stock in the Mississippi Delta region, where nine percent of residents live in manufactured homes. The state's 2015 Annual Action Plan recognizes that "manufactured housing meets the need of many householders in their quest for affordable housing," but points out that exclusionary zoning and land use policies in some jurisdictions present barriers to fully utilizing manufactured homes as an affordable housing option.

Despite the fact that Mississippi sees more new manufactured home shipments per year than all but seven other states, there is evidence that demand for the homes is cooling. Mississippi's five-year consolidated plan notes that both the share of manufactured homes in the state's housing stock and the number of manufactured homes placed in the state has fallen as the prices of the homes have risen in recent years. Identifying new resources to support manufactured home purchases, as well as reforming land use policies to protect manufactured home communities and give homeowners more places to site their homes, could help expand access to affordable housing for low- and moderate-income households in the Mississippi Delta.

For many low- and moderate-income households, manufactured housing is more affordable than other types of housing.

<table>
<thead>
<tr>
<th>HOW MANY HOUSEHOLDS</th>
<th>16,205 residents, or roughly 9% live in 74,308 manufactured homes in the Mississippi Delta region.</th>
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Monthly Housing Cost Comparison

<table>
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<th>Monthly Housing Cost</th>
<th>Manufactured Home Owners</th>
<th>All Homeowners</th>
<th>All Renters</th>
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<tr>
<td></td>
<td>$0</td>
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HOW MUCH MANUFACTURED HOUSING IS AFFORDABLE?

Note: This Data Snapshot is designed to assess the role of manufactured housing in state and local markets and the extent to which manufactured housing contributes to a set of solutions for affordable housing needs in the Mississippi Delta region. This brief defines the Mississippi Delta region as Bolivar, Coahoma, LeFlore, Sunflower, Tunica and Washington Counties. The data source is the 2010-2014 American Community Survey 5-year estimates. For some measures—mortgage financing, median household income, SNAP benefits, housing expenditures, housing affordability and condition of manufactured homes—data was analyzed using the ACS Public Use Microdata Sample, which includes a larger geographic area, including Carroll, Humphreys, Panola, Quitman, Tallahatchie and Tate Counties. In addition, because of changing Public Use Microdata Area boundaries between the 2000 and 2010 censuses, ACS data from before 2012 include some different counties than data from 2012 and later. Additional counties included in 2012 and later: Attala, Grenada, Holmes, Issaquena, Montgomery, Sharkey and Yalobusha Counties.

3 U.S. Census Bureau, Manufactured Housing Annual Shipments to States, 2011-2016.

A manufactured home is a type of prefabricated housing that is constructed in a factory and then transported to a site for installation. These homes are built to a federal code administered by HUD that went into effect in 1976. Factory-built homes constructed before 1976 are called mobile homes. Modular homes are also prefabricated in a factory, but differ from manufactured homes because they are built to a local building code.
WHO LIVES IN MANUFACTURED HOMES?

Residents of manufactured homes differ in some key ways from their neighbors in other types of housing. For a number of reasons including titling statutes and land tenure, owners of manufactured homes are less likely to have access to mortgage financing and commonly pay for their homes with personal property loans instead. Consequently, these owners are often burdened with a loan product that features higher fees, shorter terms and fewer consumer protections. Compared to Mississippi Delta homeowners as a whole, owners of manufactured homes are more likely to be younger and less educated, have lower incomes and receive SNAP benefits (Supplemental Nutrition Assistance Program, formerly known as food stamps). A majority of the owners of manufactured homes in the Delta region are Black.

HOMEOWNERSHIP

Manufactured home residents in the Mississippi Delta region are more likely to own their homes compared to residents of all other types of housing.

Note: The homeownership rates in this snapshot are the percentage of occupied housing units that are owner-occupied, based on the 2010-2014 American Community Survey 5-year estimates.

HOME FINANCING

Owners of manufactured homes are less likely to have a mortgage and, presumably, more likely to have a personal property loan. Why does this matter? Personal property loans tend to have higher interest rates, shorter prepayment periods and fewer protections for owners. Plus, homes financed with personal property loans tend to be titled as personal property, like cars, which depreciate in value. This makes it much harder for homeowners to build wealth through homeownership.

Note: We expect that the American Community Survey (ACS) data at our disposal most likely misrepresents the share of manufactured homes with mortgages. Because the ACS defines mortgages as "all forms of debt where the property is pledged as security for repayment of the debt," owners of manufactured homes who are asked whether they have a mortgage may respond affirmatively knowing that they are repaying a loan of some sort, even if that may be a personal property loan. As a result we expect that the ACS estimate for the share of manufactured home owners with a mortgage is inaccurate, so it has been omitted here.

MEDIAN INCOMES

$17,547 All Renters

$40,552 All Homeowners

$30,987 All Owners of Manufactured Homes

EDUCATION

Owners of manufactured homes in the Mississippi Delta are less likely to have completed high school or postsecondary education than both renters and all homeowners. Less than one-third of owners of manufactured homes have completed more than a high school diploma.
JOBS
More than one in 20 owners of manufactured homes in the Mississippi Delta region have been unemployed for at least five years. Construction is the most common industry for Mississippi Delta workers who own manufactured homes.

RACE/ETHNICITY
More than half of manufactured home residents in the Mississippi Delta are Black, and about a third are White. Other racial and ethnic groups are a very small minority of the region’s population.

HOUSING COST BURDENS AMONG VERY LOW-INCOME RESIDENTS
Manufactured home residents in the Mississippi Delta with very low incomes (50% of the area median) are more likely to experience housing cost burdens, defined as spending 30% or more of income on housing costs. Renters of manufactured homes are especially likely to be cost burdened.

AGE
Manufactured home residents in the Mississippi Delta region tend to be younger than typical homeowners but older than typical renters. Only 21% of manufactured home residents are 65 years or older, compared with nearly one-third of all homeowners.
HOUSEHOLD COMPOSITION

About a third of manufactured home residents in the Mississippi Delta region are married couple families, a third are households led by single individuals and a third are non-family households.

IN WHAT CONDITION ARE MOST MANUFACTURED HOMES?

Nearly one in five homes in the Mississippi Delta region was built before 1980. Why does this matter? Before HUD began regulating the construction of these homes in 1976, there were no consistent building standards for manufactured homes, so older units are more likely to be in need of repair or replacement.

I'M HOME
Innovations in Manufactured Homes

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.