MANUFACTURED HOME COMMUNITIES IN
ALABAMA BLACK BELT

STATE, LOCAL AND MUNICIPAL MANUFACTURED HOUSING POLICY
The policy environment in Alabama for the development and preservation of manufactured housing communities is markedly weak. In contrast to most states, Alabama provides almost no statutory protections for owners of manufactured homes sited in manufactured home communities. This policy landscape remains consistent within the state’s Black Belt region. Without such protections, manufactured home residents in Alabama may face greater financial risks than like residents of other types of housing.

LAWS PROTECTING HOMEOWNERS IN MANUFACTURED HOME COMMUNITIES

<table>
<thead>
<tr>
<th>KEY</th>
<th>STRONG PROTECTION</th>
<th>WEAK PROTECTION</th>
<th>NO PROTECTION</th>
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<tr>
<td>Affirmative protections for fundamental freedoms</td>
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<td>Protection against retaliation</td>
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<td>Notice before closure</td>
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<td>Purchase opportunity</td>
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<td>Protection against arbitrary eviction</td>
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<td>Right to sell home in place</td>
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<td>Relocation expenses</td>
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<td>Administrative complain procedure</td>
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<td>Requirement of lease of at least one year</td>
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<td>Requirement that community owner maintain the community</td>
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<td>Resident ability to enforce the laws</td>
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Affirmative protections for fundamental freedoms. Alabama does not provide any protections for residents of manufactured housing communities, including the fundamental rights of free movement, speech, assembly and association.

Protection against retaliation. Even states that do not provide affirmative protections for residents’ fundamental freedoms often prohibit community owners from retaliating against residents for exercising their legal rights. A general landlord-tenant law in Alabama protects tenants in general, including manufactured home owners who rent lots in manufactured home communities, from retaliation by the community owner for organizing or joining a homeowners’ association, or complaining to a governmental authority about health and safety violations.

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

Purchase opportunity. Homeowners in manufactured home communities are vulnerable because they do not own the land under their homes. Alabama does not have any policies or laws on the books that either require or encourage community owners to provide 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 leases unless they have done something wrong, such as failing to pay lot rent or violating a rule. Alabama does not provide this critical protection.
Right to sell home in place. Community owners can effectively prevent homeowners from selling their homes by reserving the right to reject any potential buyer as a resident. Alabama does not limit the community owner’s ability to arbitrarily reject a buyers application for residency.³

Relocation expenses. Approximately 15 states have programs, usually funded at least in part by community owners, to pay the costs of moving homes if a manufactured home community closes. Alabama does not have such a program.

Administrative complaint procedure. Some states offer a simple administrative procedure for resolving residents’ complaints about their manufactured home community. Alabama does not offer this service.

Requirement of lease of at least one year. About twenty states—but not Alabama —require the owner of a manufactured home community to offer homeowners leases of at least a year. This requirement provides a modicum of security of tenure.

Requirement that community owner maintain their communities. Many states – but not Alabama -- specifically require manufactured home community owners to maintain common areas, utility service and other services so that they are clean, safe and in good working order.

Resident ability to enforce the laws. A right without a remedy is unlikely to be effective. However, since Alabama provides almost no statutory protections for manufactured home community residents, there is little that residents can enforce.

<table>
<thead>
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<th># of Communities in Black Belt</th>
<th># of Communities in Alabama</th>
<th># of ROC USA Communities</th>
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<tr>
<td>150</td>
<td>808</td>
<td>0</td>
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Note: The source for data on communities comes from listings on MHVillage.

TITLING | RIGHT TO TREAT HOME 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. Classification of a home 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 Alabama, as in most states, ownership of homes that are personal property is evidenced by a certificate of title. If a manufactured home is not more than twenty years old, permanently affixed to real property, and the ownership of the home is identical to the ownership of the land, the original retail purchaser, titled owner, or their respective lienholders may cancel the title by submitting an application to the state department of revenue. The application must include the certificate of origin or certificate of title, or a bond in lieu; a release of any liens recorded on the certificate of title or a bond in lieu; and an affidavit executed by all who have an ownership interest in the home and really.⁴ If the manufactured home is subsequently detached from the land, the owner is required to reapply for a new certificate of title. This statute is part of the state home certificate of title act but does not state whether the home is treated as real property for foreclosure or other purposes after the title is cancelled. Since it applies only when the home is permanently affixed to land that the homeowner owns, it does not allow homes on leased land—such as homes in manufactured home communities—to be treated as real estate. A separate statute addresses how manufactured homes are treated for the purpose of ad valorem taxes.⁵
STATE POLICIES AND PROGRAMS THAT AFFECT NONPROFIT MANUFACTURED HOUSING DEVELOPMENT AND PRESERVATION

LICENSING ISSUES FOR NONPROFIT MANUFACTURED HOUSING DEVELOPERS
Alabama does not impose unusually onerous licensure requirements for nonprofit manufactured housing developers. Manufactured home retailers must be licensed by the Alabama Manufactured Housing Commission. They must apply annually, pay a $450 fee, maintain a $25,000 surety bond, and carry general liability insurance of $500,000. Salespersons must also be licensed, and must renew their licenses annually and pay a $200 annual fee. They must also complete a course of instruction approved by the Commission, with a refresher course every two years.

STATE WEATHERIZATION PROGRAMS & OTHER MANUFACTURED HOUSING REPAIR OR REPLACEMENT PROGRAMS
Weatherization and utility programs in Alabama treat manufactured homes as comparable to site-built homes. The state's Weatherization Assistance Program (WAP), funded via grants from the U.S. Department of Energy, serves families living in manufactured homes under the same processes and rules as any other household. There are no programs targeted specifically to manufactured housing. However, given the physical structure of manufactured housing, there might be technical differences in the types of weatherization provided. For instance, “belly” insulation might be installed in manufactured homes, where this would not be done in more traditional site-built housing.

Additionally, Alabama’s Low-Income Home Energy Assistance Program (LIHEAP) also is available to manufactured homes comparably to site-built homes. The program is funded by grants from the U.S. Department of Health and Human Services, and targets low-income households with particular consideration towards family size. Both WAP and LIHEAP are administered through local community action agencies and are available state-wide, including in the Black Belt.

PUBLIC FINANCING
Alabama offers three publicly available programs for the purchase of affordable housing through the Alabama Housing Finance Authority (AHFA), with manufactured homes eligible for two. Step Up is a downpayment assistance program for moderate-income homebuyers. Qualifications for the Step Up program include a household income of less than $97,300, a credit score minimum of 620, at debt-to-income ratio of at most 45%, and successful completion of a homeownership education course. Manufactured homes are eligible in the program, but must meet a size requirement of at least 400 square feet of living space and be titled and taxed as real estate, in addition to meeting any other participating lender requirements. Mortgage Credit Certificates (MCCs) are also available, which provide a tax credit to reduce the total amount of federal taxes owed based on the percent of annual mortgage interest paid annually. MCCs can be paired with the Step Up program or used with any other 30-year, fixed rate mortgage through participating lenders. AHFA also offers an Affordable Income Subsidy (AIS) grant through Freddie Mac’s Home Possible Advantage loan product, but manufactured homes do not meet the program’s qualifications.

Almost all the counties in our definition of the Black Belt are entirely within federally designated target areas, which loosens some of the eligibility restrictions for MCCs in particular. However, it should also be noted that while Step Up and MCCs are available for eligible manufactured home mortgages across the state, the availability of participating lenders in the Black Belt is severely limited. The closest participating lenders for Black Belt residents appear to be limited to the relatively larger cities of Tuscaloosa, Mobile, Montgomery, and Phenix.

LOCAL AND MUNICIPAL MANUFACTURED HOUSING POLICY

LOCAL ZONING AND FEE SIMPLE MANUFACTURED HOMES
Unlike many states, Alabama does not appear to have any law restricting local governmental bodies from excluding manufactured homes from residential districts.

LOCAL ZONING AND PRESERVING MANUFACTURED HOUSING COMMUNITIES
State law does not specifically regulate the location of manufactured home communities. Alabama law does not require residents to be notified of a zoning change affecting their manufactured home community except by a notice published in a local newspaper.

MORATORIUMS ON CLOSURE OR REDEVELOPMENT OF MANUFACTURED HOUSING COMMUNITIES
Giving municipalities the ability to put a temporary freeze on redevelopment can sometimes help them prevent the closure of manufactured housing communities. Alabama does not appear to have a statute specifically allowing a local governmental body to
impose a moratorium on development. However, decisions from the courts such as *Breland v. City of Fairhope* and *Lee v. Hauser* show that local governments have often imposed moratoriums on development. In *Sprint Spectrum L.P. v. Jefferson County*, a federal court held that Alabama courts would likely find that local governmental bodies had inherent authority to impose moratoriums, as long as they strictly comply with the procedural requirements of the state’s general zoning laws.

**LOCAL TAX AND OTHER FINANCIAL INCENTIVES**
There are no known tax or other financial incentives which would specifically encourage landowners to sell or transfer the community to residents.

**LOCAL RENT CONTROL**
There is no known local rent control in Tennessee for manufactured home communities.

**MANUFACTURED HOUSING INCLUSION IN CONSOLIDATED PLANNING, MUNICIPAL PLANNING AND COMPREHENSIVE PLANNING**
State law does not require manufactured homes to be included in comprehensive plans for land use.

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**SURVEY OF POLICIES IN DALLAS, PIKE AND RUSSELL COUNTIES**

**Prevalence of Manufactured Homes.** Manufactured homes range from over 20% of the housing stock in Pike County to about 15% in Russell County:

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<tr>
<th></th>
<th>Dallas County</th>
<th>Pike County</th>
<th>Russell County</th>
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<tbody>
<tr>
<td>Total Housing Units</td>
<td>20,309</td>
<td>16,010</td>
<td>27,170</td>
</tr>
<tr>
<td>Total Mobile Home Units</td>
<td>3,991</td>
<td>3,551</td>
<td>4,136</td>
</tr>
<tr>
<td>Percent of Mobile Home Units</td>
<td>19.7%</td>
<td>22.2%</td>
<td>15.2%</td>
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</table>

*Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates*

**Local Planning.** The only comprehensive plans that could be found for these counties are a 2009 *Comprehensive Community Master Plan* for Selma, the county seat of Dallas County, a 2009 *Comprehensive Community Master Plan* for Troy, the county seat of Pike County, and a November 2011 draft of a *Comprehensive Master Plan* for Russell County. The Dallas County plan does not mention mobile or manufactured homes.

The Russell County plan includes short summaries of the land use in various communities within the county. It mentions that the predominant land use in Harchechubbee, Cottonton, and Ft. Mitchell is single family residential, with housing structures comprised of detached homes and manufactured housing located on permanent foundations. In Oswichee the plan notes that the single-family residential housing stock also includes manufactured homes on semi-permanent foundations, and that there are three large mobile home parks located along a highway. Depressed housing conditions are found in the majority of the population centers the planners surveyed, as well as scattered throughout the county. The plan notes that in Ft. Mitchell, “Manufactured homes in two areas, off County Road-24 and County Road-75, are located along unimproved roads and bisect existing property lines. There are three identifiable
pockets of substandard housing in the community.” The only recommendation the draft plan makes regarding manufactured homes is the adoption of “updated standards for location and development of mobile home subdivisions and provisions for free standing mobile homes” over the next five to ten years.

In Pike County’s Troy, the 2009 Community Master Plan’s only reference to manufactured or mobile homes is in the list of recommendations around promoting healthy neighborhoods through preservation, revitalization, and new development. More specifically, the plan recommends that “revitalized affordable housing with standards consistent with traditional, revitalization and new neighborhoods; include existing mobile home parks.”

**Local zoning.** Local zoning was not available for Dallas and Russell County.

The zoning ordinance of Troy in Pike County includes several mentions of manufactured or mobile homes. Manufactured homes are only permitted outright in mobile home residential and mobile home park zoning districts, and by appeal in reserved residential districts if a single home on a single-family lot. Manufactured homes are permitted by appeal as in-fill housing in all residential districts, provided the home meets other specifications of the district. Additionally, site plan approval by the Planning Administrator is required for any proposed manufactured home park development. “Screening or skirting” on all sides between the bottom of the home and the ground is required for all manufactured homes within 30 days after placement, and must be maintained. Manufactured homes that fail to conform with the ordinance are to be removed if found to be in violation with “any other applicable ordinance” which requires the home to be vacated, if the home is vacant for six consecutive months, or if the home is vacant for nine months in any two-year period.

**Local taxation.** Taxation of manufactured homes is governed by state law. Manufactured homes that are sited on land owned by the homeowner are treated as real estate for tax purposes. Owners of other manufactured homes are required to pay an annual registration fee.¹³

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**ENDNOTES**

1. Due to a variety of definitions for the region, none of which are recognized by the state, we defined Black Belt as those counties with significantly higher levels of 14 socioeconomic characteristics associated with the Black Belt. However, due to limitations in publicly available data, some counties within this definition were excluded and some outside the definition were included in this analysis. For more information about the Alabama Black Belt and the state of manufactured housing there, see our corresponding Data Snapshot.


3. Ala. Code § 35-9A-441 (allowing a month-to-month tenancy to be terminated for any reason on 30 days’ notice)

4. Ala. Code § 32-20-20(b)

5. Ala. Code § 40-11-b(15)


8. Ibid.


10. Breland v. City of Fairhope, 229 So. 3d 1078 (Ala. 2016)


**Note:** The content in this Policy Snapshot was collected by the National Consumer Law Center, with input from the Alabama Cooperative Extension System and the Community Action Partnership of North Alabama.