MANUFACTURED HOME COMMUNITIES IN NORTH DAKOTA

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, when the residents 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. North Dakota’s laws provide a few important protections, but have a number of very significant weaknesses.

NORTH DAKOTA’S MANUFACTURED HOME COMMUNITY LAWS AT A GLANCE

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<th>KEY</th>
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<td>Requires lease of at least one year</td>
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<td>Requires community owner to maintain the community</td>
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<td>Gives residents right to enforce the laws</td>
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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. North Dakota 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. North Dakota has no such protections.

NOTICE BEFORE CLOSURE

About half the states—including North Dakota—require a substantial notice period before a manufactured home community closes.

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 North Dakota—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. North Dakota’s law does not provide this protection.
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—but not North Dakota—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 the homes if a manufactured home community closes. North Dakota does not have such a law.

ADMINISTRATIVE COMPLAINT PROCEDURE
Some states—but not North Dakota—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. This requirement provides a modicum of security of tenure. North Dakota does not provide this protection to manufactured community homeowners.

REQUIRES COMMUNITY OWNER TO MAINTAIN THE COMMUNITY
Many states—including North Dakota—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.

GIVES RESIDENTS THE RIGHT TO ENFORCE THE LAWS
Many states specifically give residents the right to enforce the manufactured home community protections. North Dakota’s manufactured home statute does not provide this right.

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 North Dakota, homeowners can convert a manufactured home to real property only if the ownership of the home and the land on which it is placed are identical or if the home is on a permanent foundation and the homeowner has a twenty-year lease. This makes it essentially impossible for homes in communities to be classified as real property.

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

LICENSED ISSUES FOR NONPROFIT HOUSING DEVELOPERS
North Dakota requires a license from the state Department of Transportation to engage in the business of selling manufactured homes. The requirements for licensure include a $35 application fee, a $50,000 bond, a permanent office and place of business, and an “adequate service department.” The requirement of a service department could be an obstacle to a nonprofit organization that wanted to provide manufactured homes but intended to rely on the manufacturer’s repair service.
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. No special or separate division exists to deal with manufactured housing.

The North Dakota Weatherization Field Standards for the Home Weatherization Assistance Program outlines specific provisions devoted to manufactured homes, namely section 7000: Mobile Home Requirements.

PUBLIC FINANCING

The North Dakota Housing Finance Agency (NDHFA) appears to include manufactured housing as permissible properties for its loan programs. Specifically, it states the following types of new or existing homes can be bought: single family homes, condominiums, manufactured homes on a permanent foundation, rural homes that include up to 10 acres and up to four unit structures may qualify if the borrower occupies one of the units. Manufactured homes also qualify for rehab assistance under the Major Home Improvement Program provided that they are permanently attached to a foundation. The NDHFA’s Advisory Board includes a board member who specifically represents manufactured housing within the board.

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.