

# Preserving Affordable Housing in New Mexico: Modernizing State Laws for Sustainable Manufactured Home Communities

Ensuring Equity and Stability in  
Housing



Presented by:

Maria Griego, Director of Economic Equity,  
NM Center on Law and Poverty,

On behalf of:

The New Mexico Housing Alliance

# Mobile home park tenants get eviction notice after 45 years



# Affordable Housing in New Mexico: A Snapshot

## Affordable Housing Statistics in NM:

- NM lacks around 32,000 units of affordable housing.
- New Mexico's median household income is significantly lower than the national median household income.<sup>1</sup>
- As home price increases outpace wage growth, the ability to achieve homeownership becomes more difficult.

## Key Demographic and Economic Profile of New Mexico

- The rate of households with seniors in New Mexico is just under 34%. Nationwide, the rate of households with seniors is 11%.<sup>2</sup>
- Many New Mexico senior households are low or moderate income with 42% earning less than \$40,000 annually. The national rate is 37%.<sup>3</sup>

# Role of Manufactured Home Communities

- Manufactured Housing Communities (MHC) offer an accessible and affordable path to homeownership.
- Manufactured homes provide the largest source of unsubsidized affordable housing in the United States.
- Manufactured Homes make up a much larger portion of affordable housing stock in NM than the national average.

# Why Retirees and Seniors Choose Manufactured Home Communities

Traditionally MHCs offered:

- **Affordability**
  - Cost-Effective Living
- **Downsizing with Ownership**
  - Smaller, Manageable Homes
- **Strong Sense of Community**
  - Supportive Environment



# Challenges and Risks for Residents of Manufactured Home Communities

# The Myth of Mobility



## Are they really “mobile”?

- 1) Can the home structurally withstand a move?
- 2) Is there somewhere to move the home?
- 3) How much will it cost to move?

# Risks for Homeowners in Manufactured Home Communities

- Vulnerability to Sale
- Impact of Redevelopment
- Short Notice Evictions
- Impact on Home Values



# Shift in Ownership Trends

- **Historical Ownership:**
  - Mom-and-Pop Operations
  - Community Focus
- **Emergence of Private Equity:**
  - Increased Acquisition
  - Profit-Driven Approach

# The Financial Impact of Rent Increases: Erosion of Home Value and Market Challenges

- Erosion of equity
- Challenges in the Market:
- Three difficult options
  1. Pay the higher rent
  2. Spend thousands to relocate t
  3. Abandon their home,

# Lack of Enforcement of the Mobile Home Park Act: Impact on Residents and Communities

- The Mobile Home Park Act (MHPA), enacted in 1983, recognized the unique vulnerabilities of residents who own their homes but rent the land.
- There is no public enforcement of the MHPA and extremely limited access to legal representation.
- As a result, there is no accountability for those who violate the law, leaving residents with rights they are unable to enforce.

## Opportunities for Legislative Action:

- 1) Path for Residents to seek ownership of Communities in the event of sale.
- 2) Explicit Authority for the Attorney General to Enforce the MPHA.
- 3) Increased funding for civil legal services.

# What are Resident-Owned Communities (ROCs)?

## Definition:

- **Collective Ownership:** ROCs are manufactured home communities where residents collectively own the land and manage the community through a cooperative or association structure.
- **Community Control:** Residents purchase the community through a cooperative model, giving them control over decision-making and management.

# The Path to Resident Owned Communities – the ROC USA Model

## 1) Initial consultation and assessment

- **Governance setup:** help residents form a cooperative or other entity needed to make a purchase.
- Help with a feasibility study when necessary.

## 2) Provide Financial and technical support

- **Financing:** help residents access funding for purchasing the community.

## 3. Support During the Purchase Process

- **Guidance:** Help residents negotiate with the current community owner to secure a fair purchase price and terms.
- **Legal support:** Provide access to legal resources to handle contracts, property transfers, and documentation compliance issues.

## 4. Post-Purchase Support

- Training and support: help residents on community management, governance and operations.

# Benefits of Resident-Owned Communities

## **Increased Stability:**

- Control Over Decisions
- Protection from Displacement

## **Financial Security:**

- Affordable Housing
- Shared Expenses

# Case Studies: Successful Modernizations in Other States



# Case Studies: Successful Modernizations in Other States: New Hampshire

## Key Legislation:

- New Hampshire was a pioneer in the **ROC USA** model, where mobile home park residents form cooperatives and purchase their land.
- The state passed laws to support this process, including providing technical assistance to residents and ensuring that financing is available for cooperative land purchases.

## Impact

- Since adopting the ROC model:
  - 9,099 homes in NH were preserved as stable, affordable places to live.<sup>1</sup>
  - 150 Communities were removed from the speculative real estate market.<sup>2</sup>

# Case Studies: Successful Modernizations in Other States: Colorado

## Key Legislation:

- In 2020, Colorado passed HB20-120, which provides mobile home park residents in Colorado with the legal right to purchase their community if the park owner decides to sell.
- Ensures residents have the chance to preserve their housing and prevent displacement.

## Impact:

- 454 homes preserved as stable, affordable housing.
- 9 Communities removed from the speculative real estate market

# Proposed Legislative Fixes

## Create a Path to Resident Ownership

- **Notification Requirement:**
  - Mandate that community owners inform residents, resident associations, and local/state governments about offers or market listings.
- **Decision Waiting Period:**
  - Allow residents a reasonable time to consider purchasing the community and make an offer.
- **Require Good Faith Negotiation:**
  - Oblige sellers to negotiate fairly and grant residents the right to match offers.

## Strengthen Existing Tenant Protections:

- Provide explicit authority to the Attorney General to enforce provisions of the MHPA.
- Adequate funding for civil legal services.

# Conclusion

**For additional information, contact:**

**Maria Griego**

**Director of Economic Equity**

**New Mexico Center on Law and  
Poverty**

**505-302-2628**

**[maria@nmpovertylaw.org](mailto:maria@nmpovertylaw.org)**