

**Governor's Advisory Commission on Manufactured and Mobile Homes  
Cooperative Mobile Home Parks Sub Committee**

**APPROVED MINUTES  
January 26, 2005**

Present: Jim Libby (VHCB), Dawn Moskowitz (for Caryl Stewart), Charlie Hoag (for Ted Wimpey), Jim Saudade

Guests: Cheryl Fatnassi (Opportunities Credit Union)

DHCA Staff: Arthur Hamlin

**Note: This was the initial meeting of this subcommittee. There was no preplanned agenda instead the time was used for general discussion, organizing and goal setting.**

Arthur handed out copies of the December 14, 2004 full Commission meeting minutes, which describe the presentation by Paul Bradley of the New Hampshire Community Loan Fund, and copies of some papers Erhard Mahnke had developed at the Co-op Federation including; 'Major Steps in Going Co-op', 'Process for Co-op Incorporation', 'Legal Documents Overview', and 'Final Narrative Report VHCB Grant Agreements'. This last paper includes an overview of grant-funded cooperative organizing activities and 10 Lessons Learned from previous co-op conversion attempts.

Dawn Moskowitz said they have purchased New Hampshire Community Loan Fund's co-op management guide and plan to visit New Hampshire. They want to see how cooperatives are accomplished from start to finish.

Jim Libby said we should start by talking about Vermont's decision to pursue the "nonprofit" route vs. the cooperative route chosen by New Hampshire. Previous efforts to go co-op in Vermont failed due to lack of financing, not necessarily lack of resident interest. However, cooperatives require ongoing technical assistance. This is harder when real or perceived problems go away – residents have less interest in organizing.

Jim Saudade said he is concerned about the number of small parks that may be in danger of closing in the next few years. Charlie Hoag added that they are concerned about mobile home parks between 9 and 15 lots. Residents want to get organized but they don't know where to start.

Dawn Moskowitz said they are looking into developing a technical assistance program. New Hampshire Community Loan Fund is willing to train and share information but is not willing to contract itself out to work on cooperatives in Vermont. Vermont used to have an infrastructure for cooperative technical assistance through the Co-op Federation, but it has to be ongoing. Jim Libby wondered whether the State, banking sector or private sector would be willing to fund a cooperative support system forever. Jim Saudade added he doesn't see a problem with the funding side, but first would want to

have a “watershed” of interest; perhaps a half dozen mobile home parks ready to try converting to cooperative ownership.

Arthur Hamlin described an article he saw from Consumers Union about “disenfranchised” mobile home park residents. Charlie Hoag described Birchwood Manor as an example of residents getting organized and receiving services.

Jim Libby said we should evaluate which mobile home parks should be looked at for cooperative conversion. For example; is the Housing Foundation very different from other nonprofits? Is cooperative ownership better than other types of resident governance such as a leasing cooperative? He is not sure resident’s equity in their house increases just because of cooperative ownership.

Jim Saudade said that conversion to cooperative should be as easy as possible. Currently Vermont law requires 50% membership just to form the cooperative. In New Hampshire they only require 5 individuals. We probably want to be somewhere in between; Dawn Moskowitz suggested a 20% threshold. Assuming there is a market for cooperatives, but no ongoing technical assistance program at this time, Jim Saudade suggested 3 actions.

1. Make the laws as easy as possible
2. Train people in existing organizations in co-op conversion, and call on them to come together as a co-op assistance team when needed. This is akin to a “national guard” for cooperatives.
3. Get an alliance of funders ready before any mobile home park cooperative conversion comes up for organization.

In this scenario, Jim Libby asked who would be the developer. Nonprofits have development staff. Jim Saudade talked about the idea of regional development revolving loan funds. Development expertise could be acquired over time. In New Hampshire, residents’ hire their own private attorneys and engineers to conduct feasibility analyses and put together the necessary legal documents. Dawn Moskowitz mentioned that they are looking into creating a “co-op assistance team” program themselves.

Two issues related to converting mobile home parks from nonprofit to cooperative ownership are:

1. Management capacity. Nonprofits rely on management fees and rent for income to the nonprofit. How would this be addressed?
2. Developer fees. Development fees support the nonprofit organization to continue acquiring and developing affordable housing.

Charlie Hoag said, as a former park manager, he doesn’t think managers would desire to spin off a ‘good’ mobile home park to the residents to free up capacity for a new troubled mobile home park in their portfolio.

A third issue is affordability. Vermont law requires nonprofits to ensure “perpetual affordability”. Jim Libby asked if demographics of cooperative mobile home parks are

different than others. The suggestion was made that nonprofits could be part of the “national guard” team for the conversion.

The Opportunities Credit Union is also interested in looking into condominium ownership. How is it different than cooperatives? Dawn Moskowitz commented that the real estate market understands and is comfortable with condominiums and might understand this model better. Jim Saudade said the Department could look into both of the laws and investigate the differences and possibilities of each. He thinks we should make as many options available as possible, but in the end the residents have to make the decision. There must be a clear financial incentive for the residents to convert from nonprofit ownership. Charlie Hoag said that many residents don’t want to attend meetings and like their privacy, so we have to give them clear examples of what a cooperative could do for them. He agreed that in some mobile home parks the right demographics aren’t there for a cooperative to work.

Jim Saudade said capital improvements reserves are vital to the success of any project. Jim Libby agreed. He would like to hear from a developer and find out what their experiences are. The Department agreed to invite some developers to the next meeting including possibly Lucy Leriche, Mike Momaney, Will Giblin, or Ken Harvey.

### **Wrap up**

- DHCA will look at the condominium and cooperative laws
- We will invite some developers to the next subcommittee meeting
- Opportunities Credit Union is learning the NH process and investigating the idea of creating a co-op assistance team