



1<sup>st</sup> Resident-Owned Coop Conversion in Oregon, Horizon Homeowners Cooperative McMinnville (2008)

## Manufactured Housing Co-ops

*Promoting affordable home ownership through the creation of resident-owned, manufactured housing cooperatives*



# Our Vision

Manufactured housing park residents in Oregon achieve long-term security and build assets through the creation of resident-owned communities (ROCs).

*“It feels great to be able to walk on this ground and say ‘this is mine, it’s mine for the rest of my life.’” - Elias Montemajor,  
Horizon Homeowners Coop*



# Homes Preserved

Since 2008, CASA has preserved housing affordability for **14** communities, representing **866** households, by converting to a limited equity, cooperative resident-ownership model.



# The Cooperative Model

- Membership is limited to park residents - one membership per household
- Members must own, not rent, their homes
- Members control the monthly rent
- Members share equally in the decision-making
- The park is owned *collectively* by the cooperative
- The cooperative holds the mortgage and is responsible for paying debt service and operating expenses
- The elected Board of Directors manages the day-to-day operations of the cooperative



# Benefits to Homeowners

- Long-term security & stabilized lot rents (current range is \$250-\$605 a month)
- Wealth-building through homeownership and asset appreciation
- Democratic control of park operations, community rules and park maintenance
- Health and safety improvements to park infrastructure
- Civic engagement
- Leadership skills development



# National Snapshot

- 233 resident-owned cooperatives formed under the ROC USA model since 1984
- 15,018 households preserved as affordable
- Nine certified technical assistance providers nationwide
- No defaults at any of the resident-owned cooperatives in over 34 years



# What Makes The Co-op Successful?

- Ongoing technical assistance for the life of the loan
- Healthy operating and replacement reserves
- Short & long term capital improvement planning
- Leadership & business development training
- Historically low vacancy rates in coops
- Member participation
- Stability of land and space rents



# Types of Financing Needed

- Pre-development loans
- Permanent loans with and without tax credit subsidies
  - First and second position financing
  - Covers infrastructure improvements
- State, city or county subsidy
- Park income for ongoing operations (may require a rent increase).





# Most recent conversion closed Feb. 2019

## Deer River Cooperative

- Located in Clatskanie, OR
- 39 space community
- Over 65% at or below 80% AMI
- Almost 30% at or below 30% AMI
- Sales price \$1,700,000
- Total Cost \$2,615,000



# Deer River Cooperative Funding Sources and Uses

Sources	Amount	Int. Rate	Term
OHCS - GHAP	\$1,365,000.	grant	Grant
BANNER BANK (OAHTC - reduces interest rate by 4%)	\$1,000,000.	2.00%	30 yr amort due in 20 yrs
CASA of Oregon	\$250,000.	5.00%	30 yr amort due in 20 yrs

Uses	Amount	Description
Acquisition	\$1,854,321.	Purchase Price + soft costs
Construction	\$250,000.	Immediate Need Cap Improvements
Reserves	\$510,679.	Operating/ Debt Service, Capital Improvements, Business start up, Flood mitigation

