By David J. Thompson

MOBILE home co-ops are about to hit a century in New Hampshire, where residential buy-outs are flourishing.

At the end of last year, there were 97 co-op owned parks in the state and it’s certain that some time in 2011, or possibly next year, a 100th mobile home park will go co-operative – each year in New Hampshire, three to five parks are bought by the residents.

The first park to go co-operative in the state was Meredith in 1984. Since then, 96 other parks have followed suit, mostly in rural areas where residential ownership helps to strengthen and stabilise local economies and enrich communities.

The stability of co-operative ownership means residents have more access to individual financing and refinancing of their homes. Thus, the co-op-owned parks are allowing home owners more – and cheaper – options for finance.

The co-op model has become the leader in enhancing low-income home ownership in the state, with nearly 5,500 families benefiting. Of the 36,000 mobile homes in New Hampshire, 15 per cent of the owners are now safeguarded by their co-op ownership. The other 30,000 mobile home owners are less fortunate, and have to fend for themselves as renters of land with a one-year lease.

Lender

The expansion of co-ops is down to the New Hampshire Community Loan Fund (NHCLF). Begun in 1983 on a shoestring, NHCLF has built itself into a hive of economic activity, employing 50 people.

Its first loan was in 1984 to the Meredith Center Co-op, which paid off its loan by 1992 – while the co-operative model spread through the state. NHCLF has now lent $140 million to co-ops and non-profits in New Hampshire and is the most active lender in the state to low-income families for homes, services and jobs.

The NHCLF has focused on broadening its relationships and encouraging more lenders to enter the field. As a result, the State of New Hampshire, the US Department of Agriculture, Federal Home Loan Bank and Fannie Mae all set up pilot projects in New Hampshire to learn from NHCLF and support resident-owned co-op parks.

In this way, NHCLF mainstreamed the financing model for resident ownership of parks, and growing numbers of conventional lenders are participating in the financing of co-op parks in New Hampshire.

The growth of opportunities for residents to own their parks came with changes to state laws. In California, for example, residents are less fortunate: an owner can sell a park without the residents even knowing a sale has occurred. There is a requirement that if a park owner advertises the sale of the park they must give 30 days notice to the residents.

Of course, the owner gets around this by not advertising the sale – which means the residents never find out.

New Hampshire law, by contrast, requires owners of manufactured housing parks to notify every home owner when they have signed a purchase-and-sales agreement. They must also provide a copy of the offer that includes its price, terms and conditions.

This “opportunity to purchase” law gives you 60 days from the date of the notice to negotiate in good faith with the owner, form a co-operative and match the offer.

When a private sales offer becomes known, residents often contact the NHCLF and make their own offer to buy the park. With the resources of the NHCLF, most resident groups are quite capable of making a successful bid.

In fact, many New Hampshire park owners now decide they might as well begin by selling the park to the residents.

In May, I visited New Hampshire and met with the leadership of the NHCLF at their offices in Concord. While there, I presented them with a cheque for another investment in their fund. Twin Pines Cooperative Foundation (TPCF) and Associated Cooperatives (AC) have now invested more than $350,000 in NHCLF.

I also visited the Medvil Co-op, which has 300 homes on 154 acres in southern New Hampshire. Medvil is a residents’ co-op formed to buy two adjoining parks. Their two club houses are busy with activities and they are enjoying their sixth year of ownership.

Due to its huge success in New Hampshire, the NHCLF leadership was encouraged to replicate the model with a national capacity. Together with three other national organizations they have set up ROC USA.

Clearly, a new chapter in co-op ownership has begun.