

Old Hellgate Village sits off Mullan Road and will become a new Resident Owned Community

Martin Kidston September 15, 2022

The residents of a mobile home community west of Missoula will become the owners of the land upon which their homes sit thanks to a pot of state funding received by the city for Covid relief.

Members of the Missoula City Council approved the grant on Wednesday on a 9-1 vote.

The Old Hellgate Village Mobile Home Park was established in the 1960s and currently includes 34 mobile home lots off Mullan Road. The purchase price negotiated by NeighborWorks Montana stands at roughly \$3 million and the property is now under contract.

"Manufactured home communities are at significant risk of redevelopment, particularly in our community where we have rising housing costs and pressure for redevelopment," said Kaia Peterson, the executive director of NeighborWorks. "Folks in these communities are at risk of displacement and a lot of folks in this type of housing have fixed or limited incomes."

The state placed around \$10 million in Cares Act funding into a Community Development Block Grant program designated for housing and homeless assistance projects. The city applied and received \$850,000 in grant funding on behalf of NeighborWorks to create a Resident Owned Community.

At the time of application, NeighborWorks didn't have a property in mind, though Old Hellgate Village quickly emerged as a candidate.

"When we applied for these funds, we did not have a specific property in mind," said Peterson. "This is a new approach for us, trying to use grant dollars for ROC acquisitions. With the current environment, it's been harder for us to make these projects pencil and retain affordability."

NeighborWorks Montana will bring its own funding to the table. That, combined with another \$1.5 million in seller financing, will be enough to secure the property in perpetuity.

"This project uses seller financing at very favorable rates and terms, which is one of the things that makes this project work," said Peterson. "NeighborWorks will bring \$700,000 of our own capital financing from our existing loan pool, also at favorable terms."

Those working to convert Old Hellgate Village into a Resident Owned Community said the residents of the neighborhood have participated in the process at a high level. Of the 30 eligible households, 29 have joined as members, Peterson said.

Most of them are young families, empty nesters and retirees on a fixed income. A survey suggested that 60% of the park's residents earn below 60% area median income.

In Missoula and across the West, trailer parks have become vulnerable to purchase and redevelopment. Missoula has seen its share of examples over the past decade, where a new buyer purchases the land, most often with the intent of redeveloping it.

Converting parks to a Resident Owned Community has emerged as a strong tool to retain affordable housing. At Old Hellgate Village, lot rents will only increase to \$600 from the current \$500. The increase is needed to pay off the debt and make the project pencil.

"I'm excited the state is doing some good, productive things with the money they've received," said council member Stacie Anderson. "We've seen examples of some really heartbreaking stories of owners not wanting to sell their land from under those mobile home parks and the lack of options for the people who live there. This is a win-win solution that helps the most vulnerable in our community."

Council member Mike Nugent agreed, saying the pandemic exacerbated the problem by changing the demographics in some states.

"I've seen too many times where communities like this are sold," said Nugent. "They do the bare minimum of what they need to do to meet state law to get people out so they can do something else with the land, and that only got worse with Covid."

Council member Sandra Vasecka voted against the grant award.

"I think this is an interesting project, but I don't think this is a good use of Covid funding. There have been displacements before Covid," she said.

Source: <https://missoulacurrent.com/mobile-home-park-missoula/>