

A Better View

BY ADAM BOEHLER

PHOTOGRAPHY BY JOHN ZUMPARO



A Great Falls nonprofit is helping working people buy the trailer parks where they live, protecting affordable housing

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IT'S UNFAIR TO ASSESS THE CURB appeal OF any Montana neighborhood in January. Contrary to real estate ads and tourism promotions, Montana in winter is often a muddy, slushy, wind-ravaged mess. A visit to View Vista Community in Livingston was no exception.

The previous month's snowfall had melted off in a single unseasonably warm week. With no drainage infrastructure yet in place to sluice it away, the ensuing runoff swamped the entire 11-acre community. It covered long stretches of the circular gravel drive and spilled through chain-link fences into adjacent yards, pooling around swing sets, saturating discarded furniture and stacks of precious firewood. Concrete foundations became breakwaters, leaving the doghouses in the corner of yards on a shallow anchor. An old bathtub that had been converted to a rose planter rested on an island of lawn, like a ship captain's wayward dream run aground.

According to View Vista resident Jo Terry, though, the place looks far better now than it did two years ago.

"The roads here were so bad," she said. "There was no way to drive through. The potholes were everywhere. They were so deep. But we got it graded and now we don't have that problem."

She added that other much-needed maintenance had been tackled recently as well. The cottonwoods lining Fleshman Creek along the northern edge of the property had been trimmed (to the tune of \$20,000), as had the lilacs lining the old motel that had been turned into apartments. A collapsed roof had been removed from a row of apartments and replaced. And the first of many sections of ancient clay sewer pipes that burst the previous winter had been replaced.

But in parks like this there's always more to be done, she said.

"A lot of the trailers just aren't that pretty. We're still working on that. Some really are but we're trying to get rid of some of the older ones ... that we deem unsafe. If someone smoked a lot of meth in there, people shouldn't live in it."

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IN REAL ESTATE JARGON AND OTHER POLITE COMPANY, neighborhoods such as View Vista are commonly referred to as “mobile home communities.” But most people call them trailer parks and the folks who live in them know that if they need to move their home, they’ll have to scratch together \$10,000 to \$25,000. Their homes are only “mobile” in theory.

Having owned what was then the 49-unit View Vista Village for six years, George Nikolakakos understood its attraction for both residents and property investors. Long before he put it up for sale in 2019, he was taking phone calls from potential buyers. Such overtures neither surprised nor seduced him. It didn’t take an MBA to know Montana real estate was red-hot. He knew working-class Montanans like his tenants had felt the heat for some time.

“When you own a property like that, you’re always getting schmoozed in this market,” Nikolakakos said. “At some point, there’s a little guilt. These folks are generally lower-income. I’m making money really easily. So there’s an imbalance, and you ... realize you have a ridiculous amount of power. That’s always rubbed me the wrong way.”

While America’s affordable housing crisis reaches from coast to coast, it’s become particularly desperate in Montana. The Seattle-based real estate data firm Zillow listed the average price of a single-family home here in 2021 at over \$370,000, about \$70,000 more than the national average and 22 percent higher than the previous year, while household income in Montana is 15 percent below the national average. According to the National Low Income Housing Coalition, in no county in America can a renter working full-time at minimum wage afford a two-bedroom apartment, and in places like Livingston, it’s hard to find one at any price.

Each day more people are joining the 22 million Americans already living in over 44,000 mobile home parks across the country, per the Manufactured Housing Institute. Despite the cultural stigma attached to some of these communities, trailer parks have become very valuable real estate.

It’s no wonder, then, that some of Wall Street’s largest investment firms—Blackstone Group, Carlyle Group, Apollo Global Management, to name a few—have, with the assistance of low-interest, subsidized loans from U.S. government lenders Fannie Mae and Freddie Mac, spent \$4.2 billion in 2020 alone acquiring mobile home parks across the country, according to real estate services giant JLL. While residents of these communities (the nation’s largest source of non-government-subsidized affordable housing) often see trailer parks as their only viable option—or lifeline out of homelessness – finance firms are turning them into a reliable and increasingly lucrative source of passive income.

This was the writing on the wall that Nikolakakos saw.

But he is a savvy businessman, and to the benefit of his tenants, not without a conscience. He politely fielded calls



from prospective buyers and gathered information, but he never agreed to the easy deal. Instead, he wanted to sell View Vista to his tenants. So he reached out to NeighborWorks Montana in Great Falls, a nonprofit that helps working-class Montanans acquire and maintain affordable housing.

NEBHORWORKS MONTANA IS A 501(C)(3) NONPROFIT corporation with a lean staff of 16. It’s also a Community Development Financial Institution that manages grant and loan funds from contributors as varied as U.S. Housing and Urban Development and Wells Fargo Bank. These funds are strategically maneuvered to assist affordable housing developers, first-time homebuyers, and residents of manufactured housing communities in creating, obtaining, and sustaining secure homes. In 2019 the nonprofit claimed over \$15 million in net assets.

Within NeighborWorks Montana is the Resident Owned Community (ROC) program, the Montana affiliate of ROC USA. This program has facilitated the purchase of 14 mobile home parks (577 homes) from Libby to Billings since 2010. Danielle Maiden manages the program. When Nikolakakos decided to sell View Vista Village to her group, Maiden took the lead.



ROCs in Montana

There are currently 14 resident-owned cooperatives (ROCs) in Montana, comprising 577 homes:

1. **Libby Creek** | Libby | 12 homes
2. **Morning Star** | Kalispell | 41 homes
3. **Green Acres** | Kalispell | 32 homes
4. **Country Court** | Kalispell | 11 homes
5. **Clear Creek Court** | Havre | 59 homes
6. **Crossroads Cooperative** | Great Falls | 90 homes
7. **Missouri Meadows** | Great Falls | 34 homes
8. **Pleasant Park** | Great Falls | 48 homes
9. **C & C Community** | Billings | 60 homes
10. **Mountain Springs Villa** | Red Lodge | 30 homes
11. **Vista View** | Livingston | 49 homes
12. **River Acres** | Missoula | 31 homes
13. **Buena Vista** | Missoula | 36 homes
14. **Northwood** | Pablo | 44 homes



SOURCE: Montana ROC Network

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“The ROC program [negotiates] a fair market price with park owners,” Maiden said, “gets it under contract, and once it’s under contract we knock on residents’ doors telling them about the opportunity. Then we organize them to be a nonprofit corporation that owns the community.”

When residents of a privately-owned trailer park pay their lot rent, it goes directly to the owner, who decides what to do with it. If improvements need to be made, that cost is usually passed on to the resident in the form of a lot rental increase.

But because residents of an ROC are the owners (if they pay the one-time Association fee—\$100 at View Vista), their lot rent whittles down the mortgage on the property. NeighborWorks structures loan agreements so that predictable losses—unpaid rent or a resident moving away—don’t have to be offset with rent increases for the rest of the residents. It’s built into the budget. This translates to stable monthly bills (about \$350 a month at View Vista Community, with water, sewer and garbage included), positive impact on the future of the community, and the sense of pride and dignity that accompany ownership.

It’s a very complex process. But Maiden and her team are thorough and dedicated. With a skillset that rivals that of the savviest investor, Maiden could make far more money in the commercial sector. Instead, she’s choosing to work for the folks in these communities. She sees the writing on the wall up close.

“I just think that resident ownership is really a huge benefit to residents in Montana,” Maiden said, adding that it acts as a bulwark against the redevelopment and gentrification left in the wake of big finance. “Our market has changed so drastically, particularly in the last two years, that this is a crucial piece of saving affordable housing and making sure that Montanans have an affordable, safe place to live and work.”

HAD CINDY NEWMAN BEEN AWARE OF NeighborWorks sooner her situation might be different. As it is, she’s against the wall. Twenty-one years ago, she purchased a new manufactured home and had it moved to Highwoods Mobile Home Park in Great Falls, where she’s lived since.

The owners maintained the property well, she said, keeping it attractive and affordable. In 2019, though, they sold Highwoods to Havenpark Capital, a Utah-based private equity firm, now owners of nearly 2,000 trailer spaces in 7 parks across Montana (25 in 11 states nationwide).

“When I started looking into our new owners, I immediately thought ... I could lose my home!” she said.

Under the previous owners, Newman paid \$283 a month,



“There are days when it’s very difficult, when you’re running late from work trying to get home because you have a 6 o’clock board meeting so you can get that agenda out to everybody so they know what needs to be addressed. But I care about my community and I care about the good that it’s doing.”

with some utilities included. Now she pays \$475, not including utilities, which works out to an 83 percent increase.

Newman and her Highwoods neighbors aren’t alone. Around the same time, four separate Havenpark communities in Iowa saw their lot rents increase 20 percent, 33 percent, 58 percent and 69 percent respectively in three short months, according to a report by the *Des Moines Register*. (Havenpark Capital did not respond to MQ’s requests for comment on this story before publication.)



“Eighty percent of us are seniors on fixed incomes and just cannot absorb these big increases,” Newman said.

She reached out to a lawyer but was dismayed to learn that Havenpark’s methods were perfectly legal in Montana and Iowa. In all, 12 states have no laws preventing what Newman calls “feudal” management practices. So she began what she called her “quest.”

In search of solutions, she sent out more than 70 letters to state legislators and agencies. She gave testimony to the Cascade County Democratic Committee. She met with Senator Jon Tester’s representatives for the Senate Committee on Banking, Housing and Urban development. And during the most recent Montana legislative session, she and another advocate, Liz Voigt, worked with Montana State Senator Brian Hoven (R-Great Falls) to draft three bills aiming for protections

against Havenpark's practices. Nothing meaningful was passed.

It was during this "quest" that Newman became acquainted with Danielle Maiden and NeighborWorks Montana. While Maiden sympathizes with Newman's predicament, there's little she and NeighborWorks can do unless the owners are willing to sell, which isn't likely.

But Newman continues on.

"We may have lost one battle," Newman said, "but there's still hope. We're looking for solutions now because our next [legislative] session may be too late."

In the meantime, Havenpark collects over \$120,000 per dollars a month from the residents of Highwood.

VIEW VISTA RESIDENT ANGELA ZINDLER FEELS fortunate to have avoided a similar fate. When Maiden and her ROC team first came to Livingston in June 2019 to explain the benefits of resident ownership, Zindler got on board.

"I was for it," she said. "It wasn't only because a big corporation couldn't come in and purchase it and bulldoze us. It was rent control."

But after the second meeting in as many weeks, it was clear to her that while it sounded like the best option, pulling it off might be rougher than the potholed roads running through the place.

"That's when I was nominated to be the board president," she said. "It was all very hectic."

But with a five-person interim board in place, they were able to hire a property manager, secure an insurance company, and finalize financing. And on January 31, 2020, View Vista Village became View Vista Community, Inc., a nonprofit organization. New leases went out, community bylaws were established and enforced, and any resident who paid the \$100 association fee became a part owner.

Around Livingston the story was received largely as a working-class win, which it was. But as a wife, mother to two teenage boys, general manager of a hotel in Bozeman, and, for the past two years, president of the board of a nonprofit corporation, Zindler mostly recognizes the "working" part of the equation.

"There are days when I just want to throw my hands in the air," she said. "There are days when it's very difficult,



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when you're running late from work trying to get home because you have a 6 o'clock board meeting so you can get that agenda out to everybody so they know what needs to be addressed. But I care about my community and I care about the good that it's doing."

So for now (hers is a two-year tenure) she'll keep getting that agenda out and racing to board meetings where, as a group, the board will address community concerns, coordinate projects with their diligent property manager Hannah Cain, and sign off on the mortgage payment. Privately they'll consider ways to solve their biggest problem: community involvement.

After 10 years of payments on the 30-year loan, the community can consider refinancing, depending on its own needs and circumstances. If and when the mortgage is paid off, the community can establish its own monthly payments and decide how to spend them. Imagine: living at the quiet end of historic Main Street in Livingston, a stone's throw from the Yellowstone River, paying perhaps as little as \$50 a month and having a say in where each dollar goes.

"We could pave the roads," Zindler said, "instead of having to grade them every spring and fall. We could build a playground for the kids. Those are the kinds of things you can do once that money isn't being used just to keep you afloat."

It's not a fairy tale. It's a trailer park. And they own it. 



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