

CITY DRAINS HOUSING RESERVE TO HELP RESIDENTS BUY MOBILE-HOME PARK

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(Missoula Current) The residents of a small trailer park moved closer this week to owning the land under their homes after members of the Missoula City Council agreed to dedicate funding from the Affordable Housing Trust Fund toward the effort.

But the \$181,000 allocation to convert the mobile home park, located in the Franklin to the Fort Neighborhood, to a community-owned residence effectively depletes the Trust Fund's reserve balance of all revenue.

Emily Harris-Shears, the city's housing policy specialist, said that while draining the account may leave a new project unfunded, the money will go far in helping 28 households secure a more certain future by owning the land upon which their homes sit.

"This amount will help keep the lot rents reasonable," Harris-Shears said. "Residents will still experience an increase in their lot rent, but this stabilizes and reduces that impact. The full request is needed to be able to finalize this project."

Neighborworks Montana applied to receive the \$181,000 balance to help the residents of "Bonnie's Court" convert the mobile home community into a resident-owned community. The funding was needed sooner rather than later, as Neighborworks has a closing date set for March.

Harris-Shears said the funding request complies with the city's housing policy. It also represents "choice," as members of the mobile home park have chosen to pursue ownership.

"Mobile-home communities are usually naturally occurring affordable housing," said Harris-Shears. "Whenever possible, we want to prevent displacement and support people remaining in their homes."

Preserving affordable housing when possible

Among its goals, the city's housing policy cites the need to retain existing affordable housing whenever possible. Given the rising cost of land in Missoula, mobile home parks are susceptible of being purchased and redeveloped.

In several past cases, mobile home parks in the city have been replaced by higher-density housing that accommodates more people. But it also displaced the residents of the existing mobile home park, leaving them in search of new housing, which isn't easy to find in Missoula on a lower income, city officials have said.

According to Kaia Peterson, executive director of Neighborworks, resident owned communities are structured so that the land is owned collectively while the homes are owned by individual residents. They can gain equity on their homes and if they move, they can also sell the home. The new owner becomes a member of the community cooperative.

As of now, the Neighborworks application is the only one the city currently has to consider, said Harris-Shears. While it will drain the trust fund's reserve balance, she added, a decision was needed now with the closing date looming.

"There could be a project that comes up before we have new revenue," she said. "But we're not saving the reserve balance for a rainy day because it's raining now. This is a project that could support the retention of 24 homes for people in our community."

The city established its Affordable Housing Trust Fund in 2020 and by its own resolution is required to invest \$100,000 annually into the program. The Missoula Redevelopment Agency also invests \$1 million annually into the program.

The city had intended to grow its fund to \$10 million when it created the account. While that number has been difficult to reach given annual allocations to various projects, the fund could swell in the coming years as the city sells a number of publicly-owned parcels for redevelopment.

That includes land owned by the city on Scott Street, the old Sleepy Inn, the Missoula Water property, the old library block and property off Johnson Street in the Midtown area.

"We're anticipating and hoping for the sale of some city-owned land. Revenue from that comes to the Affordable Housing Trust Fund," said Harris-Shears. "We're hoping there's some this year. That would replenish both the Affordable Housing Trust Fund and the reserve balance. We don't budget or plan for money until we receive it."

The city is moving closer to selling three of its parcels including the Scott Street property, the old library block and the Sleepy Inn, which is expected to hit the open market this spring.

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