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Senate Bill 98 benefits landowners, communities and affordable housing

In recent years, a number of land-lease communities - or, "mobile home parks" - have been sold for redevelopment -- displacing hundreds of Colorado families while the state experiences an affordable-housing shortage. Fortunately, a bill being considered by Colorado legislators could provide practical and financial incentives to keep these communities together.

Sponsored by Sen. John Kefalas, D-Fort Collins, and Rep. Joann Ginal, D-Fort Collins, [Senate Bill 98](#) attempts to promote the conversion of land-lease communities into "resident-owned" communities where owners of manufactured homes can organize and purchase the land from the owners. Under the bill, landowners would need to give residents 30 days' notice if they intend to sell a land-lease community - but only if a resident organization makes its interest in buying the property known to the landowner beforehand. That allows residents sufficient time to collaborate with other organizations and gather their resources and make an offer. If negotiations between the residents and community owner ultimately result in an acquisition by residents or a nonprofit organization, the owner could receive up to a 100 percent state tax deduction on the recognized gain from the sale.

If approved, this bill would benefit residents of these communities and the landowners. The legislation keeps communities intact while letting neighborhoods and homes grow in value. Meanwhile, landowners receive a fair price for their land as well as a tax deduction for not selling their property to an outside buyer who might displace residents or raise their rents. Studies show that manufactured homes can be wealth-accumulating assets when residents own both the home and the land. Research also shows that owners of manufactured homes are often more content with their homes and pay less on housing costs than traditional renters.

Previous legislative efforts to promote resident-owned communities in Colorado failed because lawmakers sympathized with community owners who felt the measures dictated what they could do with their land. SB 98 changes course from earlier legislation by making it explicitly clear that landowners can reject an offer from residents as long as negotiations are done in good faith.

"At a time when there is a shortage of affordable housing in Colorado, it is critical to ensure that affordable-housing communities are preserved," said Claire Levy, Executive Director of the Colorado Center on Law and Policy, which helped develop the bill. "With these communities increasingly being targeted for redevelopment, this bill ensures that the residents have an opportunity to preserve their communities and that the owners of the land will be properly compensated for assisting with the preservation of Colorado's affordable housing supply."

SB 98 is scheduled to be heard by the Senate State, Veterans and Military Affairs Committee next Monday, Feb. 13. To learn more about this legislation, [click here](#).

The Colorado Center on Law and Policy is a nonprofit, non-partisan research and advocacy organization that engages in legislative, administrative and legal advocacy on behalf of low-income Coloradans.