

Elements of the democratic economy

RESIDENT-OWNED COMMUNITY



Resident-owned communities (ROCs) are manufactured housing neighborhoods (sometimes referred to as mobile home or trailer parks) in which the land is community-owned and managed.

An estimated 18 million people who earn less than \$28,000 a year (less than half the national household median income) live in manufactured housing. That makes it one of the leading sources of affordable housing in the U.S. Approximately 1,000 manufactured housing communities are

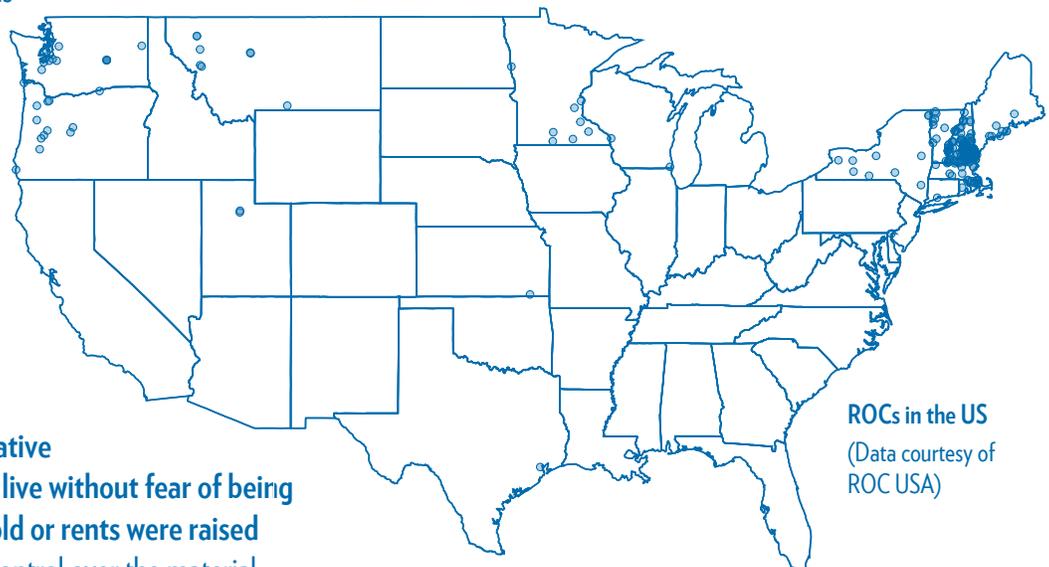
resident-owned around the country (especially throughout New England). This includes the 10,000 manufactured homes that are part of network of ROCs organized by ROC USA, a nonprofit enterprise that works to scale ROCs in the United States.

Transformative Characteristics

When residents in a manufactured housing community own the land themselves, they have the power to avoid the hazards of traditional, commercially-oriented manufactured housing neighborhoods, where residents own (or rent) their individual homes but the land itself is owned by a company that charges rent, sets rules, and oversees conditions in the neighborhood. In those communities, residents face displacement pressures when the landowners decide to raise rents, sell to another company, or neglect maintenance and upkeep.

In a ROC, residents cooperatively own the land and manage the neighborhood through elected representatives to a board. **Cooperative ownership allows the residents to live without fear of being displaced because the land was sold or rents were raised too high.** It also gives them direct control over the material

conditions of the neighborhood. In some cases, ROCs are market-rate and shares are relatively expensive and out of reach of low-income families. In many other cases, however, ROCs are limited equity cooperatives, which keeps the cost of shares low and preserves affordability.



Potential Impact

Converting manufactured housing communities into ROCs offers individuals and families who are often marginalized or underserved in the conventional housing economy opportunities for ownership and control. With this comes the ability to address some of the most pressing issues of our time, including access to affordable housing, climate change mitigation, and residential displacement, since ROC households can manage their community's affairs in a manner that meets their most pressing short- and long-term needs. In boosting homeownership among marginalized populations, ROCs can ensure that stability and resiliency in the housing economy are not wealth-driven.

Challenges

ROCs can face a range of challenges to their development and long-term success, from the initial efforts to organize manufactured housing residents into a cooperative association to the regular decision-making activities of members once a ROC is formed. The organizations can be plagued by an inability to secure financing and handicapped by difficulties in building an engaged community. They may also have to confront a lack of familiarity with ROCs and general negative perceptions of manufactured housing communities. These challenges can be overcome with supportive local policies, such as "Right of First Refusal" policies which can require that residents of manufactured housing be offered a chance to buy their properties before their community is placed on the private market, as well as technical support from groups like the Cooperative Development Institute, one of many local, regional, and national cooperative assistance organizations.

More Information

ROC USA (rocusa.org) works to scale resident ownership of manufactured homes, providing technical assistance and fundraising support to communities hoping to convert from private ownership to resident ownership.

Examples

Pasadena Trails (Houston, TX)

Established: 2009

Size: 114 sites

The Pasadena Trails ROC was formed in 2009 when residents of the community purchased the land in their neighborhood from an Arizona-based company. The community received help with financing and other technical assistance from ROC USA and Community Resource Group.

Residents notably leveraged newfound ownership and control over the community to finance and redesign the community's drainage system, an investment that ultimately protected the community from the widespread flooding caused by Hurricane Harvey in 2017.

Takesa Village (Mead, WA)

Established: 2007

Size: 149 sites

This ROC was established in May 2016 by a community of 149 residents. They saw the ROC as a step toward tackling a culture of crime, drug abuse, and abandonment surrounding the community, issues that were neglected while the community was under private management.

Residents bought their community with financing support from Capital Impact Partners and the Washington Housing Finance Commission. Since the ROC was formed, the newly organized and better engaged residents saw significant physical and quality-of-life improvements in their community.



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The Next System Project's **Elements of the Democratic Economy** is an ongoing series introducing the basic institutional designs for a transformed political economy. Learn more at thenextsystem.org/elements