Manufactured Homes, Rented Land and Affordable Housing

A Submission by the Active Manufactured Home Owners Association

Summary

BC faces an affordable housing crisis. This Tenancy Task Force provides a timely forum for new ideas on how to deal with the crisis. Our idea is an old one that needs renovation – splitting ownership of land and houses. If they didn't need to buy land more people could buy a house.

This submission has two purposes: to outline a framework in which this approach could work, and to look at why it doesn't work so well under the current Act. For the co-investor community approach to be effective new legislation is needed, designed from the ground up to support the co-investor concept. It must encourage investment in these communities and provide a framework for governance and rules conducive to good community life.

The goal is to attract land investors interested in the long term, not speculators. Long term investors need a stable investment environment in which they can recover the costs of infrastructure and operations, and a reasonable return on investment. Home investors need assurance that the community they invest in will be well run and well serviced, and that they will be in a position to ensure the landowner cannot devalue their investment.

The new framework must be based on equality, democracy, and cooperation: and the language needs to reflect that. It needs to balance the powers of both investor classes and ensure the community governments that replace "Park Committees" can function without disbandment. It also needs to provide "Standard Park Rules" that create a framework in which local laws can fit while addressing local needs.

In the current system homeowners are the residents and major investors in the community but an imbalance of power in favor of landowners creates problems in four major areas:

1. Loss of investment when land use rights are lost through eviction or park closing;
2. Loss of home value from park deterioration – physical, managerial or social;
3. No say in community governance despite being major investors and residents; and
4. Limited capacity to speak out due to uncertainty, complexity and fear of reprisals.

How can we address these problems?

Standard Land Use Agreement: The Act requires certain terms in all rental agreements but there is no legislated standard agreement. Instead there are many agreements that are legally complex, confusing, and of uncertain legality. This greatly complicates the task of dispute resolution. The fix is one standard legislated plain language agreement.

Park Committees and Local Park Rules: The Act provides for Park Committees representing both investors – homeowner and landowner – to do basic park governance tasks such as rule making. Few are effective and most are disbanded. Once disbanded the landowner takes over sole power to make Park Rules, and those rules can override existing homeowner/landowner agreements. Most troubling, the landowner can assume this power by unilaterally disbanding the committee. We need a legislated set of Standard Park Rules immune to local machinations. And effective community governance requires something better than the Park Committee.

Rent Increases: The Act enables landowners to annually increase what homeowners pay for land use. The increase is the sum of three parts: inflation (based on CPI) + 2% + changes in local tax and utility charges. The apparent purpose of these annual increases is to ensure the land investor recovers the costs incurred in operation and the return of, and on, the capital committed to the project. But there is nothing to suggest this formula actually does that. The CPI is based on the cost of a basket of services over 65% of which have nothing to do with the kinds of costs incurred

in park operations. The 2% is apparently to encourage investment in infrastructure upgrades, but can be pocketed without doing any upgrades. And the local levies add-on becomes part of base rent, compounded and used as starting point for future add-ons. This has no relation to the kind of cost recovery expected by investors in other low risk venture like utilities.

Assignment and Sublet: The current Act gives the landowner power to significantly reduce the value of the homeowner's investment by interfering with the sale and rental of the house. Homeowners forced to temporarily move for some reason, must leave the house sitting empty, pay the monthly rental, and pay another rental for their temporary home. That is a loss of earning on an asset similar to what the landowner would face if homeowners were not required to pay land rent when they were absent. There needs to be a balance.

Relations with Municipal Governments: Many "Parks" are located in or near municipalities most of which are unsure about the application of their rules and services in the Park. This needs legislative clarification.

Eviction for Cause: Homeowners evicted for whatever reason are often forced out without time to relocate. Their property may also be seized. This whole process needs to be reviewed from the perspective of making the punishment fit the crime.

Compensation for Forced Moves: Homeowners may be forced out of a Park because of a sale of the land or of a government expropriation. In such situations the principle must be full compensation for the loss incurred. It should not be possible for a land investor to make money by taking it from those who in good faith invested in homes on that land. No money should flow to the landowner until the innocent third parties – the homeowners – are fully compensated.

Dispute Resolution System: The Act enables landowner and homeowners to take disputes to the director for resolution. This is a traumatic experience for those who are elderly, unfamiliar with bureaucratic practices, unable to retain professional help, and unsure of their rights. As a result landowner abuses may go unchallenged. The director's office should include a tenant's advocate with a role, similar to the Farmer's Advocate, of helping unsophisticated people get a fair deal in a dispute with someone better equipped to manage the complexities.

The co-investor model has potential, if the problems in its current manifestation under the Manufactured Home Parks Tenancy Act can be addressed. Another model worth review is the Resident Owned Communities model in wide use in the United States. This approach enables the government to provide essential resources so that the homeowners in a "Manufactured Home Park" can buy the land and hold it as a cooperative, thereby significantly reducing their rent while also eliminating the landowner/homeowner conflict problems.

It will not be easy to make the transition from the current structure for split land and house ownership. There are a great many details that need to be worked out, and doing that needs expertise and participation by both landowners and homeowner. The best way forward is for the Task Force to call for creation of a working group to take on this challenge.

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Co-Investor Communities and Affordable Housing

Manufactured Homes on Rented Land

PART I. CO-INVESTOR COMMUNITIES

Affordable Housing: How Separating Land and Home Ownership Can Help

1. INTRODUCTION

Creating a stock of affordable housing is a major challenge everywhere, but especially in BC. The idea of separating land ownership and home ownership has promise as part of a strategy to deal with this issue. This approach has promise because it increases the capital available by attracting two types of investors: land investors looking for a decent return on a low risk investment, and house investors looking for an affordable home in a good community. The manufactured homes on leased land approach can meet the needs of both investor classes if there is legislation in place designed to provide such a framework.

The Rental Housing Task Force is addressing two issues relevant to these co-investor communities – currently called "manufactured home parks":

- Identifying options to improve security and fairness for both renters and landlords, while addressing the challenges of affordability, and
- Reviewing the existing laws and how they apply to different housing models.

The *Manufactured Home Owners Tenancy Act* creates the governance and investment framework for homeowners in manufactured home parks and, because of the outmoded model on which it is based, that framework is manifestly unfair to those homeowners as the communities' major investors and residents. The Act is unfair to them because

- although investors, they lack the security and stability afforded the land investor even though they provide most of the capital for developing the community; and
- although community members, the Act does not give them a voice in the community's governance.

Recently passed legislation[1] has definitely started a move to greater fairness. To realize the full potential of the co-investment approach for affordable housing, however, legislative changes are needed that provide both investors with reasonable security and a role in community governance. The Task Force needs to call for a process through which this model can truly contribute to the supply of affordable housing.

[1] *Tenancy Statutes Amendment Act, 2018*

2. AN OVERVIEW OF THE ACT

- ***What the Act does***

The Manufactured Home Park Tenancy Act ("the Act") provides a framework for increasing the capital available for affordable housing by separating ownership of houses from ownership of land. Ideally this would enable the two types of investors – those in land and those in houses – to work together in creating quality communities. To be attractive these communities must meet the needs of both participants: landowners get a secure investment in land producing a reasonable return, and homeowners get a secure investment in their homes along with a democratically governed community.

The problem is that the current Act does not do this. This submission will provide details on how the Act fails homeowners. In essence, the Homeowners put their time, money, and effort into the "Parks" created under the Act, but have no say in its governance, little security for their investment and no real control over what they have to pay for the land they put their house on. Meanwhile the legislation assures the landowner of a good return on a secure investment and, even though generally a non-resident, total control of community laws and government. These inequities are the result of the outmoded and inappropriate "Landlord/Tenant" concepts built into the Act. What is needed is an Act based on the concept of ***leased land communities*** in which investors in housing and investors in land can cooperate as equal partners in creating secure, viable and self-governing communities.

- ***Why it fails***

1. THE ACT ENVISIONED MODEL IS NO LONGER VALID

The problem with the Act is that it's based on an obsolete landlord/tenant view of communities that in fact have individually owned houses located on leased land – what the Act calls "Manufactured Home Parks". The idea behind these parks is simple – someone buys a tract of land, fixes it up so there are multiple sites with basic utility services (water, sewer, power…) and then rents sites to people who own dwelling units they want to put on those sites. The original idea was a mobile home park where a person could park their trailer for a while and then move on.

Things have changed a lot. Now instead of parking a trailer, a homeowner may put a $300,000 (or more) modular home on a foundation on a site. The Act has not been amended to keep up with this fundamental change. It's still based on the idea that if you don't like what's happening in the park you just hook up to your "house" and tow it to someplace better. That's not an option for the owner of a $300,000 house on a concrete foundation.

2. THE MODEL HURTS HOMEOWNERS FINANCIALLY

Consistent with its origins, the Act focuses on the rights of the landowner as the owner of the land. From that perspective, the landowner's right to sell the land or convert it to some more profitable use is paramount. In doing so it ignores the other, and much larger,

source of capital invested in the community – the homeowners. Although two sources of capital create the housing, the smallest source (landowner) has paramount protection.

Since homeowners are seen as temporary tenants who can "hook up their home and leave" the Act pays little attention to the financial impact the landowner's decisions have on them. In fact, for the owner of a $300,000 modular home on a foundation, eviction is a financial disaster. Technically the home could probably be taken apart and the constituent pieces moved, but the cost would be tens of thousands of dollars. The homeowner would also lose what for many of them is years of work on improvements in yards and gardens. The resulting financial insecurity has the direct effect of lowering the value of the homeowner's house and improvements.

3. THE MODEL LIMITS HOMEOWNER PARTICIPATION IN GOVERNANCE

The basic idea that homeowners are temporarily using someone's land also shows up in the Act's governance provisions. Although in a modern manufactured home park homeowners represent most of the asset value and all of the residents, the homeowners have no legal right to a say in the governance of the community – the legislation gives total power to the landowner to make the local bylaws ("Park Rules") and manage the community. Although the Act provides for the creation of local lawmaking "Park Committees" with homeowner and landowner representation, the landowner can refuse to participate and thereby dissolve the committee and take over all the rule-making authority. In short, the Act provides for the creation of communities in which the people who live there and own most of the property may, at the will of the landowner, have no say in their community's governance. Instead, the (generally non-resident) landowner assumes complete authority for rule making and management of the community. This may not be a hardship in the case of a benevolent landowner, but relying on an owner's benevolence is poor public policy.

3. WHAT MIGHT A NEW ACT LOOK LIKE?

A new Act would be based on a different underlying concept – one of enabling a partnership of investors to create a well-housed community. Fleshing that concept out will require a lot of work and involve many different stakeholders. The following is a bare bones outline of some basics.

- ***Change the language***

The basic perspective of the Act has to change from landlord/tenant to community co-investors – communities with manufactured homes on rented land. So, for starters, the name should be changed to reflect the reality – "Leased Land Communities Act" or "Homes on Rented Land Act", for example.

The terminology in the Act also needs to change – no more "landlord" and "tenant". That archaic terminology conveys a feeling of "master/servant" relationship when what the Act should be about is two types of asset owners – landowners and homeowners. Consequently the terminology of new Act would be that – "landowners" and "homeowners".

- ***Provide for Standard Park Rules in the Act***

There are components of Standard Park Rules already in the Act, Regulations and Schedule that is part of the Regulations. These rules need to be made easier for a lay person to find and understand which could be done *by* expanding the Schedule. Standard Park Rules embedded in the Act would remain unalterable and apply to all tenancies.

- ***Provide for real community government***

The existing Act contains a possible basis for community governance by a body – the Park Committee – that represents both homeowner and landowner. The problem is that the landowner can gut this body and assume control simply by failing to attend meetings. New legislation needs to ensure that the local governance body is truly representative, can only be dissolved by mutual agreement, and is limited in its powers so that neither of the landowner/homeowner partners can use the lawmaking authority to damage the essential interests of the other.

- ***Clarify the goals and objectives***

The goal of new legislation should be clear – to create a framework for those who wish to invest in a house or in land for housing to cooperate in creating well governed communities with affordable housing. In light of the overall goal, there appear to be a number of objectives that need to be met – objectives related to the landowner, the homeowner, and the community.

Landowner – enable sufficient security and earnings potential to attract investment in land for long term housing, but not for speculation.

Homeowner – enable up-to-standard community infrastructure and services with no prospect of losing housing land without fair compensation.

Community – enable the creation of

- land areas suitable for multi-home communities where one entity can own the tract and individuals can own houses on it; and
- a structure for community governance (rules) and management that protects the interests of landowner, homeowner and community.

PART II. CHALLENGES IN THE REAL WORLD

INTRODUCTION

Part I provided an overview of the problems arising from some of the underlying concepts of the *Manufactured Home Park Tenancy Act*. In this Part we look at how these problems play out in the real world – the details of how the current model is failing those who invest and live in homes in the communities defined as “Manufactured Home Parks”. This look at the problems is informed by many years of experience in dealing with problems arising under the Act, talking about these problems with homeowners, and documenting the changes needed.

The relationship between landowner and someone owning a home on their land is different from that of the traditional landlord/tenant where the tenant rents a living space. “Parks” are communities made possible by landowners encouraging others to invest in fixed assets on their land. The attraction of owning an affordable single family detached home on a small lot is hard to resist and landlords may take advantage of this by offering a site on their land knowing that once a homeowner has a six figure investment in a home on that land they will be extremely reluctant to get in any battle that might mean losing a good part of their investment.

This creates a landowner obligation different from that of the landlord of an apartment. The value of the homeowner’s investment must be recognized and not unfairly diminished or destroyed by actions of the landowner – the other party in this community building. Given the inequalities of power this can easily happen.

- ***The current legislation works for landowners***

The landowner’s situation was summarized by an article in Business Vancouver headlined “Mobile home parks recession proof”. It stated *“Mobile home parks provide secure and stable long-term cash flows, high occupancies, steady increases in average monthly rents and significantly lower capital and maintenance costs [when compared with apartment buildings]”.* This message has been repeated by other business and investment publications over the years. And large investors, such as public-sector pension funds, have echoed that by buying up manufactured home parks. In short, from the land investor perspective, the current model works fine. Not so for those who supply most of the capital for these communities – the investors in houses.

- ***Imbalances created by the Act hurt homeowners***

While the Act provides a good environment for landowners it creates an unequal power relationship to the homeowners disadvantage. They are weak in both their capacity to protect their investment and in their input in community governance. The result can be hardship or loss as a result of landowner actions, whether direct or implied by the environment created.

These problems are of four general types:

1. Loss of land use through eviction or park conversion results in lost investment;
2. Park deterioration (infrastructure decline, bad or uncooperative management…) can reduce home value;
3. Homeowners have no legally protected voice in community governance commensurate with the fact that they are investors and residents;[2]
4. The homeowner's perceived weakness in the traditional view of the Landlord/Tenant relationship can make homeowners reluctant to push against bad practices.

Later in this submission we will look in more detail at the day-to-day implications of matters in each of these problem categories. For now it is useful to provide a quick summary.

1. LOSS OF LAND USE

If a tenant under the *Residential Tenancy Act* ("RTA") is evicted they lose a place to live. If homeowners are evicted under the Act not only do they lose a place to live, they also stand to lose a six figure investment that could exceed $300,000. The prospect of such loss and the fear of retaliation by landowners is enough to discourage most homeowners from seeking dispute resolution even if they believe the landowner is doing something unconscionable or outside the Act.

It is common to find homeowners are afraid to stand up for their rights because landlords routinely threaten them with eviction of their home. They are then faced with the prospect of becoming, bizarrely, homeless homeowners. With capital tied up in their house, they must find and pay a second rent on another place to live until their home sells. Or, they can fail to pay the site rental and the home is judged abandoned and the landowner gains ownership at little or no cost.

2. PARK DETERIORATION

Once a homeowner has invested in a house, he or she is in no position to insist the landowner maintains the quality of the Park. If the quality deteriorates, whether it is infrastructure, services, or management/homeowner relations, the Park becomes less attractive and the value of the homeowner's investment suffers. Prospective buyers can be put off by talking to a few Park residents and hearing that there are major problems, none of which the homeowners can fix.

[2]The problems of the current local "Park Committee" approach are dealt with later. But it must be possible for communities that want it to create a protected and balanced means of making local laws and decisions.

3. NO GOVERNANCE INPUT

A prospective homeowner may prefer to invest in a house in a park with a well functioning Park Committee that provides a balance of homeowner and landowner input in making Park Rules. However, the landowner can at any time decide to stop participating in the Committee. This results in the Committee being disbanded and the landowner assuming unilateral power to make Park Rules. Subsequent changes can completely change the attractiveness of the community as a place to live.

This is particularly troubling since the current legislation provides that the Park Rules, even if unilaterally made by the landowner, have precedence over existing contracts[3]. That means no matter what the homeowner signed, a Park Rule made unilaterally by the landowner can override it. New rules can attempt to shift responsibility for more and more maintenance matters from the landowner to the homeowner. The rules may be illegal, but the homeowner is generally in no position to fight. Whether from fear of eviction, lack of knowledge of the law, or lack of the resources needed for a legal challenge, the tendency is for the homeowner to surrender and let the rules, legal or not, go unchallenged.

4. POWER IMBALANCE

Although the power imbalance created by the Act is real, there is also a problem of perceived power – homeowners, landowners, and responsible government officials can all be caught up in the perceptions created by Landlord/Tenant terminology. Hundreds of years of history have made these words produce an almost fuedal echo. And that mindset works against homeowners seeking to exercise rights that technically exist. Also, deciding what rights technically exist is difficult because of the complexity of the legislation and the related land use agreements. Few, if any, purchasers of homes or even their agents fully understand the potential reach of the investment commitment.

Unlike more modern BC legislation, there seems to have been no commitment to plain language in drafting the Act. A host of ambiguous and complex clauses in the Act and Regulations make it difficult to understand or to follow tenuous threads on critical issues – what is included in the rent, how the rent will change each year, what is required of the landlord in supplying facilities and services, etc. In addition, tenancy agreements are complex, are different from park to park or even in the same park, and may even be simply a verbal commitment and a handshake. The result is confusion, hard feelings, and even evictions.

- ***Specific issues needing immediate attention***

In addition to the general problems set out above, there are a host of specific issues that have arisen in the current Manufactured Home Park environment and that must be

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[3] MHPTA s.32(4) If a park rule established under this section is inconsistent or conflicts with a term in a tenancy agreement that was entered into before the rule was established, the park rule prevails to the extent of the inconsistency or conflict.

addressed if the potential of this split land/home investment model is to be realized. In addition to the general problems set out above, there are a host of specific issues that have arisen in the current Manufactured Home Park environment and that must be addressed if the potential of this split land/home investment model is to be realized. These specific problems need to be addressed by the working group. The following is a starter list of such problems:

1) The lack of a Standard Land Use Agreement governing all essential aspects of the homeowner/landowner relationship.
2) The lack of Standard Park Rules that apply to all “Park” communities.
3) Inappropriate structures for local governance – the failure of the Local Park Committee system in terms of authority, workability and fragility.
4) An irrational and indefensible approach to rent Increases, proportional Increases and additional Increases
5) The devaluing of homeowner assets by arbitrary rules on assignment and subletting.
6) The inequity of eviction for cause provisions – particularly notice and punishment.
7) The inadequacy of homeowner compensation in the event of park closure.
8) Uncertainty as to the role of the local government of the “Park” area.
9) The difficulty dispute resolution can cause for people with limited resources and technical expertise.

Challenges In The Real World (continued)

1. Standard Land Rental Agreements

Situation

The Act provides for regulations to be made requiring all land use ("tenancy") agreements to contain certain standard terms.[4] A regulation is in place prescribing certain standard terms that all such agreements must contain. At present, however, there is no comprehensive legislated standard land use agreement that would govern the landowner and homeowner relationship in all communities. Agreements vary from one community to the next and often even within one community. In some cases the agreement may only be verbal. The multiplicity of agreements also depreciates the value of decisions from dispute resolution and judicial process because it limits the use of the decision in considering other cases. Technically a decision on a clause in one agreement only affects the person named in the decision. However, if agreements were standardized the decision would be a useful guide for future decisions dealing with similar issues.

Issues

- *Confusion and uncertainty created by many different agreements*
- *Difficulty of having a decision of government, arbitrator or judge serve as a guide for future decisions on a similar issue.*
- *Complex agreements may be incomprehensible and even contain illegal clauses*
- *Landowner changes to agreements can create uncertainty and erode homeowner rights*

Comments

For the co-investor community to be a useful part of an affordable housing strategy, there must be as much simplicity, certainty and clarity as possible in the homeowner/landowner relationship. Standardizing land use agreements would help a lot. Standard agreements drafted in plain language would provide a more level playing field for homeowners and landowners and would allow the "referees" – arbitrators, judges, and government policy makers – to deal more efficiently with systemic problems. It would also ensure that illegal requirements do not "sneak" into agreements when a landowner decides to make changes.

A standard form land use agreement could also be beneficial to landowners since it would reduce uncertainty, including the prospects of litigation and dispute resolution, and consequently create a more stable and secure investment environment.

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[4] *Manufactured Home Parks Tenancy Act* sets out scope of regulation making in s.89 (2), including
(b) respecting tenancy agreements, including prescribing
(i) standard terms that must be included in every tenancy agreement, and
(ii) formal requirements for tenancy agreements;

An additional problem is that land use agreements can be rewritten, with the pen in the landowner's hand. The new land use agreement may contain clauses harmful to the homeowner's interests, but he or she may find it difficult or impossible to reject since the consequence of doing so is to have to move the home. That means a loss of money and community. A standard form could include commitments to maintain basic lot conditions and services.

> Example of a problematic clause from an existing Tenancy Agreement: *"Effective November 8, 2014: All new tenants will be required to provide a three hundred and fifty dollar ($350.00) Administration fee at the time of applying for Tenancy. This fee is payable to Park Agent."*

PROPOSAL

- *Use existing regulation making powers to prescribe a plain language standard form land use agreement developed with input from homeowners and landowners.*

2. PARK COMMITTEES AND LOCAL PARK RULES

SITUATION

The Act[5] provides for a form of self-governance in BC's co-investment communities ("Manufactured Home Parks"). It allows for a rule making body ("Park Committee") that represents the landowner and the homeowners. It also empowers the committee to make rules "governing the operation of the manufactured home park". These "Park Rules" provide a framework for community life. Rules can be changed by unanimous agreement of the Park Committee, or if they don't all agree on the change, they can call for a community decision by general vote.

Many communities no longer have Park Committees, either because they found the system unworkable or the landowner decided to avoid involvement and thereby cause the Committee's disbandment. The landowner is able to create this situation by simply abstaining from meetings.[6] If there is no Park Committee, the landowner can make rules unilaterally.[7] The Rules can override rental agreements signed by the homeowner and landowner. If there is a Rule in place, the agreement can be changed without the

[5] MHPTA s.31, 32, 33.

[6] To do that it is only necessary to avoid an annual meeting and rely on sections 21 and 30(1) of the Manufactured Home Park Tenancy Regulation. Under these provisions the Park Committee must hold an annual meeting within 15 months of its last one or it is disbanded. It can't hold a meeting unless a representative of the landlord attends. If the Park Committee is disbanded it can only be re-established with landlord participation.

[7] Act s.32(1): " … if there is no park committee, the landlord may establish, change or repeal rules for governing the operation of the manufactured home park."

landowner's agreement[8] and if the Rule overrides an existing agreement the Rule prevails[9].

This leaves homeowners, who are residents and generally have the biggest financial investment in the community, with no legal right to participate in its governance, and at the mercy of misguided or unscrupulous landowners or park managers.

ISSUES

- *Landowner's ability to unilaterally make Rules overriding existing agreements*
- *Lack of homeowner input to the local laws governing their community*
- *Local Park Rules that are unclear, inconsistent, unfair or of questionable legality*
- *Multiplicity of Park Rules complicates oversight, review and adjudication*
- *How to replace the current Park Committee structure with a representative body that gives homeowners an equal say in decisions affecting their community and their investment.*

COMMENTS

The ability to act unilaterally without even consulting homeowners means the Park Rules may change frequently creating uncertainty and confusion for the community. Residents must continuously monitor the latest output to ensure that they understand what a new Rule means and are abiding by it. They must also check to see if their tenancy agreement has perhaps been modified. This does not promote good landowner-homeowner relations.

The question for the homeowner is always "Is this Park Rule actually legal and enforceable?" The answer is often "No", but the homeowner is in a poor position to contest it. Even if taken to arbitration, if an arbitrator finds the rule unconscionable or illegal they do not have the authority to change the Park Rules to eliminate the offending provision. Providing mandatory Standard Park Rules would help solve this problem.

> Given that sewage disposal is a landowner responsibility, consider this example of a problematic Park Rule from one BC Manufactured Home Park: *"Residents are solely responsible and liable to maintain their Septic tanks and field. ….If your system should fail, you are 100% responsible for the system restoration AND all costs associated damage to Other Units and Park Property."*

Rules made without homeowner input may also contain provisions negatively affecting the marketability of homes with consequent loss of value for the homeowner. For example, a Rule requiring landowner confirmation that a home is up to what the landowner considers a "suitable" standard before it can be sold interferes with the basic

[8] Act s.14(3)(c): "(3) The requirement for agreement … does not apply to any of the following:… (c) park rules established in accordance with section 32;"

[9] Act s.32(4) "If a park rule established under this section is inconsistent or conflicts with a term in a tenancy agreement that was entered into before the rule was established, the park rule prevails to the extent of the inconsistency or conflict."

right of a homeowner to sell his or her property to a willing buyer at what that buyer considers a fair price given the condition.

PROPOSAL

- *By Regulation, create plain language Standard Park Rules that apply to all Parks.*
- *Legislate a framework in which Park Committees have a leadership role in the rulemaking and decision making of the community, based on the information above.*

3. RENT INCREASES

SITUATION

The Act provides for a regulation capping how much the landowner can increase the homeowner's land use charge each year (outside of special circumstances). The current regulation puts that cap (s.32(2)) at "inflation rate + 2 percent + proportional amount". Proportional amount is the increase in local government levies and utilities fees. Consequently each year a homeowner is faced with an annual rent increase made up of three components:

- *inflation rate – the Consumer Price Index ("CPI") Adjustment clause,*
- *2%, and*
- *changes in cost of local levies and utility fees ("proportional amount").*[10]

The legislation is silent on the rationale for these three "automatic" add-ons. According to the responsible Minister at the time this was put in place to encourage development of new parks as well as providing for repairs and upgrades to existing parks. However, the regulation also enables a landowner to increase rents to recover the cost of reasonable and necessary repairs and upgrades.[11]

Rent increases apply to existing rents, which may have no rational basis. There is nothing in the Act or Regulation that requires anything like rent fairness – i.e. that the charge for land use should somehow reflect the land and service provided. Consequently a community may have homeowners with similar land holdings paying vastly different rents.

ISSUES

- *Is the additional automatic 2% increase fair and reasonable?*

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[10] The regulation in s.32(1) defines "proportional amount" in terms of "the change in local government levies and the change in utility fees divided by the number of manufactured home sites".

[11] Regulation s.33(1) A landlord may apply under section 36 (3) of the Act [additional rent increase] if one or more of the following apply:

(b) the landlord has completed significant repairs or renovations to the manufactured home park in which the manufactured home site is located that

(i) are reasonable and necessary, and

(ii) will not recur within a time period that is reasonable for the repair or renovation;

- *Is a CPI Adjustment clause necessary and fair?*
- *Should utility and tax increases be rent rather than passed on expenses?*
- *Should some homeowners pay far more rent than others with similar lots and services?*

Comments

- ***The CPI Adjustment Clause***

Is a rent adjustment based on changes in the CPI appropriate? Certainly the landowner is entitled to recover the routine costs associated with managing and maintaining the community. Since the cost of living is going up it seems reasonable to assume those costs will go up as well. So it is reasonable to say that some adjustment mechanism is needed. But is the CPI the right index?

Probably not. The CPI is obtained by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers – things like groceries, health care, rent, etc. Many of these things are irrelevant to landowner expenses. For example shelter is over 27% of the basket – this is the cost of rent and housing. How is that a relevant factor in determining landowner costs? Looking at other items in the basket we see food – 16%, recreation – 11%, clothing – 6%, health – 5%, alcohol – 3%. In total these items, which appear to have no relevance to the operational costs incurred by the landowner, total 68%. If over 2/3 of the basket consists of irrelevant costs, why is this a good basis for determining increases needed by the landowner?[12]

- ***The automatic 2%***

In the co-investor community model the goal is to create a framework that encourages investment in both the land and the houses in the community. That means the land investor must have a reasonable opportunity to earn a return on investment commensurate with the risk. This situation is analogous to a public utility in that the landowner is committing capital to an essential public purpose – in this case land for housing. It is of interest that the Regulation (s.33(1)) contains provisions similar to those generally set out for public utilities – the basic principle being that the owner can recover from users the cost of maintaining and improving the service infrastructure. In view of this provision it is not clear why an automatic rent add-on should be allowed without evidence that it is, in fact, necessary to recover the cost of improvements. Without such a requirement the landowner may simply pocket the extra rent and let the community deteriorate. Based on what we hear from homeowners that is all too often what happens. So the land investor not only earns more than is fair but also subjects the homeowner to a lower quality of life and a loss in investment value as the community deteriorates and their house value drops.

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[12] Source Statistics Canada http://www23.statcan.gc.ca/imdb-bmdi/document/2301_D65_T9_V1-eng.htm. Numbers rounded off.

- ***The proportional amount***

As part of the principle that a landowner should be able to recover costs reasonably incurred in providing community services, it seems fair to pass on such utility and local tax costs. The problem arises when they can be rolled into rent. Once they are in the rent they attract the other two add-ons. This means that the landowner is recovering not just the actual increased cost, but a bonus on an expense. The homeowner has to pay the landowner's increased cost and then also an added amount (2% and CPI add-on) on that cost. This add-on makes no sense from a cost recovery viewpoint.

- ***Large rent variations for similar services***

The fact that a landowner may charge widely disparate amounts for similar lands and services also does not fit the right to recover necessary expenses. There may be an argument that a homeowner with a larger lot should be charged a proportionately higher amount for the use of the land although they otherwise receive the same services. Disproportionately higher rents are not a result of greater costs but of the landowner's capacity to increase rents for new homeowners when properties are sold. This capacity to increase, not based on any cost recovery principle, has the effect of reducing the value of the property being sold since the long term cost of a home on leased land consists of the upfront cost and the annual rental. The regulations should provide for capping top end rents until other rents are proportionately equivalent. In addition, to further the basic goal of affordable housing this should be accompanied by an ultimate cap mechanism that limits further community wide rent increases to an amount that can be shown necessary to recover a reasonable return on investment.

- ***General principles***

In determining what a land investor can fairly charge for providing land and services to a community, the key consideration is cost recovery: *Does the rent enable the investor to recover the cost of providing the services and the cost of the capital invested?* The cost of capital is the return on investment needed to warrant the risk associated with the investment. A high risk requires a potentially high return to attract capital. But the Act is very careful to minimize land investor risk. This is accomplished by enabling recovery by application of the costs of reasonable and necessary repairs and renovations or any extraordinary increase in the operating expenses.[13] Given this relatively risk free environment, it would be reasonable to determine what constitutes a fair return and what that translates into as a corresponding cost.

PROPOSAL

The issue of fair and reasonable rent increases is complex, and it is beyond the scope of this submission to recommend any precise solution. The issue needs to be addressed by a group with sufficient expertise and balanced input to develop an approach for co-investor

[13] Regulation s.33(1).

communities: one that balances the needs of both land investors and home investors. The guiding principle for this approach should be that rent increases should be based on actual cost increases – whether the cost of necessary services or the cost of capital. As a starting point for that study we suggest:

- *If some cost of living indexing is included it should be based on an index that reflects actual landowner costs, not the basket of food, health and other services that make up most of the CPI.*
- *The automatic 2% should be dropped since it creates a perverse incentive to not make necessary improvements in order to pocket the windfall. The regulation already provides for the recovery of actual costs incurred in park renovations and upgrades.*
- *There should be no rent roll in of utility and local tax costs: these should be straight pass-throughs of necessarily incurred expenses.*
- *Measures, such as temporarily capping top end rents, should be introduced to move rents to a cost recovery basis with rents related to service costs and land used.*

4. Assign and Sublet

Situation

In the current Park regime, a homeowner's right to sell or rent their house is constrained by the Act. They cannot rent out their house, or assign their land use agreement, without the landowner's consent or the Director's intervention.[14] The regulations contain limits on when the landowner can refuse consent.

In the case of subletting, a landowner can refuse on a number of grounds,[15] including that "the existing tenant has agreed in the tenancy agreement not to sublet". By making that condition a requirement in all land use agreements the landowner can eliminate any chance to sublet.

The sale of a house by the homeowner is covered by the conditions on assignment. Landowners can refuse consent if they have "reasonable grounds" for believing the buyer won't pay the rent. The term "reasonable grounds" is not defined. In the situation of month-to-month rents, this is really a moot point since the landowner can require a new lease with a new rent.

Issues

- *Loss of home sale value when buyer faces additional rent and land use conditions.*
- *Reasonableness of no sub-let clauses.*

[14] MHPTA: Assignment and subletting provisions - s.28.

[15] MHPTA Regulations: Grounds for withholding consent to a request - s.48.

COMMENTS

The fact that the land investor can unilaterally reduce the sale price of a house by increasing rent or adding conditions for a new owner again illustrates the current Act's imbalance between house and land investors. Landowners do not need to show existing rents were too low to generate an adequate return on their investment – i.e. that an increase in rent was needed. Yet given the power imbalance, the land investor can increase rent and thereby the return on his investment. At the same time this action reduces the value of the homeowner's investment. This clearly does not provide equal protection of investor rights. What makes the imbalance more problematic is that usually it means the investor with the more money gains at the expense of the one with less. The unilateral power to hike rents also means that the goal of affordable housing is not met. In developing a future co-investor community model to meet this need the imbalance must be corrected to ensure fairness and to encourage investment in affordable housing.

Nor should it be possible to avoid the assignment and subletting issues by adopting month-to-month land use agreements. These agreements are not appropriate for communities with manufactured homes on foundations. They may be suitable for an RV park where homes are readily mobile, but for homes that must be tied down for earthquake, built on site on a foundation, etc., a month-to-month land use agreement is grossly unfair to the homeowner. It is unconscionable and unreasonable to give one month's notice for removal and relocation of a manufactured home under any conditions.

The no sublet clause provisions also require careful study by an impartial and knowledgeable group. While they may be warranted in some cases they are a hardship on homeowners who for work, family, or other reasons must be gone for a few months or more. They face the double cost of rent in two locations and the loss of income from their asset while the house sits empty and people desperate for housing are locked out. Once again this is an imbalanced treatment of the two investors and one that works against the goal of affordable housing.

Although it clearly benefits the landowner, it is not clear the prohibition on assigning and subletting serves any community purpose. There are already ample provisions to protect the landlord if the new tenant does not adhere to the Act, Regulations, "Standard Park Rules" or Rules for use of landlord owned buildings and facilities. If not specifically enabled by the Act or regulations, both the assignment and subletting problems could be addressed by the creation of a standard form land use agreement as discussed earlier.

PROPOSAL

Creating a framework that will balance the needs of land investors and home investors, and also recognizes the needs of the community, will not be easy. But that should not mean settling for the status quo which is unbalanced and limits opportunities for affordable housing. This is a topic best addressed by a working group with technical expertise and stakeholder input. For starters, we suggest that group look at the following measures:

- *Given the devaluing effect on the homeowner's interests, amend section 28(1) of the Act so that the landowner cannot prevent assignment or subletting of land use rights without showing cause, i.e. persuasive evidence of potential harm.*
- *Amend the Assignment and Sublease provisions of Part 7 of the regulation accordingly.*

5. Relations With Municipal Governments

Situation

Many of today's "Manufactured Home Parks" are part of larger areas governed by local governments. The smaller community of the "Park" must be able to operate effectively in this environment. Working out the details of how this can be done is a job for the working group. The following are examples of areas that will require attention.

Bylaw enforcement

Local governments have bylaws for such items as animal control, noise, unsightly premises etc. Manufactured Home Owners pay taxes to provide for the employment of bylaw enforcement officers. Despite that, some local governments say they cannot enforce their bylaws on manufactured home park lands.

Municipal land redevelopment

Manufactured home parks located within a municipality may be directly affected by municipal redevelopment plans. Some of these municipalities have redevelopment policies to provide assistance for relocating residents and/or their homes when a home park is being redeveloped. That is not universally true, however.

Issues

- *Enforcement of local government bylaws in "Park" communities*
- *Consequences for homeowners of municipal land redevelopment*

Comments

Municipal uncertainty about the application of their bylaws to "manufactured home parks" is creating unnecessary confusion and loss of services to park homeowners. Model bylaws for park maintenance and rental housing should be adopted by all local governments with provision in the Tenancy Act for enforcing all relevant bylaws in Home Parks. This would help both homeowners and landowners and reduce dispute resolutions.

With regard to land redevelopment, all municipalities should be required by the Act to adopt a standard Manufactured Home Park Redevelopment Bylaw. This bylaw would require the Municipality to withhold any development application until a full compensation and relocation package has been drawn up, reviewed, and approved by the Municipal Council. For example, at present Langford has such a document but they call it a "policy" and are quick to mention that it is not a binding bylaw. These policies vary from

one area to another. For example, Langford's policy contains a provision for setting aside a portion of the taxes paid to help residents who are facing redevelopment of manufactured home parks.

PROPOSAL

As with other areas, these are complex issues with no simple answers and best dealt with by a proper working group. We recommend that group consider appropriate changes to the Act and regulations that:

- *clarify municipal authority to enforce bylaws in "home parks", and*
- *require all municipalities to adopt a standard "home park" redevelopment bylaw.*

6. EVICTION FOR CAUSE

COMMENTS

Part 5 of the Act deals extensively with ending tenancies including triggering conditions and process. Given the number of different land use agreements in use in BC the process can be complex and difficult. Translating the simple principles of justice and reasonableness to the myriad fact situations found in the many Manufactured Home Parks in BC is beyond the scope of this submission. This is a matter that must be dealt with in a forum where open discussion is possible and resources of expertise are available.

It is appropriate, however, to provide an example of how the unequal positions of the existing "landlord/tenant" can work real hardships. Under the section[16] providing for termination in the case of interference with the interests of the landlord a park owner recently issued an eviction notice to a homeowner for consulting a lawyer. Fortunately, the eviction was overturned but not without considerable stress on the homeowner.[17] There should be provisions for legal costs in such situations.

As a lead in to this process we offer the following observations:

- *Landlords would be less likely to use the eviction process for punitive reasons if a Standard Tenancy Agreement and Standard Park Rules were in place.*
- *No eviction notice should be for less than three months since finding a mover, a new site, and the money to pay for relocation is impossible in 30 days.*
- *Fear of eviction prevents residents from standing up for their rights under the Act and Regulations*
- *Eviction for cause means 30 days to move the home with no compensation. A landlord may let the home stay but require the owner to move out – but still pay the site rental until the home is sold.* ***The penalty does not fit the crime.***

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[16] MHPTA sections 40(1)(c) (i) and (ii).

[17] Arbitration #11007248

- *Paying the homeowner/renter no compensation is too harsh, especially if the home cannot be moved or place found to put it. That means it must be abandoned and the park owner takes over ownership.*
- *Having to pay rent on the site until the house is sold to retain ownership of it is onerous and needs to be looked at in conjunction with 'eviction for cause'.*
- *Introducing a period for remedy of breach would reduce the need to go to dispute resolution immediately. It would also reduce a great deal of anxiety for tenants.*

7. COMPENSATION FOR FORCED MOVES

SITUATION

There are other scenarios beyond eviction in which homeowners may be forced to move their homes out of their "Park". One is a taking of the land by a government for some public purpose. Another is the closing of a "Park" as a result of the landowner selling the land.

In a government taking, compensation must be paid to the landowner for the land. But most of the value in the land taken is the investment by homeowners. They must be fully compensated for their loss. The Act must be amended so that the landowner cannot pocket the compensation until the homeowners have been fully compensated for their costs in moving. The landowner must not be allowed to gain from a homeowner loss created by government actions to meet public needs.

There are provisions in the Act to cover the closing of a Manufactured Home Park. It is unlikely, however, that the compensation provided for in the Act is adequate to cover the cost of moving even a single-wide home. It is also unlikely that when one park closes occupants can find another park within a, "reasonable distance".

If left to the interpretation of a park owner, this will inevitably disadvantage the homeowner. For those that have employment, this means having to give up a job and particularly for seniors it may be impossible to find another source of income as a move will almost certainly be further out from the center of a town. Especially for seniors, this means leaving their support network including friends and medical supports.

COMMENTS

When is it not possible to move a home?

The amended Act does not specify the conditions under which it is not possible to relocate a home if a park is closed or sold for re development. This urgently requires clarification in order to make receipt of compensation a certainty with no ambiguity at all. This requires clear detail. The following cases have to be considered.

- A home may be too old to be legally moved by road.
- A home may have been built on a foundation eg Hummingbird Estates.
- A home owner may not be able to find another location.

- A working home owner may not be able to find employment in a new location
- A person may not be able to find a suitable location for their circumstances.
- A person may not be able to afford to move their home.

What is the true cost of moving?

The existing Act uses the term “manufactured home” to cover a number of structures that are radically different when it comes to moving. Some homes will require a house mover such as Nickel Bros. or a regular manufactured home mover to dissemble the home, move the pieces to a new location and then essentially reconstruct and renovate it to bring it back to close to pre-move condition. And even then there may be a loss of years of homeowner work on yard and site improvement. Compensation must be based on the true cost to homeowner and community of any mandated move.

Who pays compensation?

The amended Act does not clearly state who will pay the compensation. This needs to be clarified. A comprehensive compensation must be worked out by buyer, seller, and developer prior to any sale taking place. It should not be the responsibility of tenants to chase a developer or development owner, for mandatory or agreed compensation.

At the time of submission of plans for redevelopment by a new or existing owner taking place, a complete compensation package must be worked out and approved in writing by the Municipality or Planning Authority responsible before a sale takes place and in any case before a development permit is granted.

Who is the Developer?

Developers and contractors frequently hide the ultimate beneficial ownership of the development in a complex corporate structure for various reasons. There may be foreign ownership seeking to avoid foreign buyers’ tax, there may be mitigation of liability, or various other commercial reasons.

It should be abundantly clear who the applicant for development is, where their head office is located and it must be abundantly clear they are substantial enough and willing to pay a purchase price including the full Municipal Council approved compensation package.

The sale price for the land will include the full value of compensation would be paid out to all beneficiaries in full at the time of sale completion. This is just as when a normal house sale takes place and all outstanding liabilities of the seller are met from sale proceeds before the seller receives the net sale funds. This gives peace of mind to homeowners that they will be properly compensated.

PROPOSAL

- *Provide for full compensation to the homeowner when a government takes the land for other purposes.*
- *Require that, when total compensation is awarded, homeowners must be fully compensated before final payouts to the landowner.*

8. Dispute Resolution System

Situation

Part 6 of the Act provides a dispute resolution mechanism by enabling homeowners and landowners to take disputes to the director[18] for decision and action. Despite efforts to ensure fairness, the dispute resolution process can be a challenging and traumatic undertaking, especially for the unaided elderly. It is an alien and frightening world for some that has even led to temporary hospitalization to cope with conditions arising from the stress of a hearing. There is currently no provision for an in-house advocate to aid in their efforts. There is also no comprehensive searchable database of previous director decisions that would make it easier for those without professional support to determine what issues are relevant and whether decisions have already been made on similar issues. A further complication is that different persons hearing a dispute may render different decisions for the same type of dispute, even in the same community.

Issues

- *Difficulty for seniors or others without resources to understand the process and ensure their case is properly presented.*
- *Lack of a database that would enable those who feel aggrieved to determine whether it is reasonable to take up the dispute resolution process.*
- *Lack of consistency in decisions on similar matters.*

Comments

The dispute resolution system set out in the Act may be easily accessible to a landowner with business experience and access to professional support. But it can be a frightening challenge for some homeowners, especially seniors and those unable to obtain professional assistance. This creates a playing field tilted against inexperienced homeowners. Their situation is analogous to that of farmers trying to deal with professional oil and gas land agents. The Farmers' Advocacy Office of BC was established to put farmers on a more equal footing in these complex technical dealings. A similar approach would help homeowners deal with landowners.

Some systemization of decisions would also help homeowners look after their own interests.

- Decisions should state which Act the decision was made under and this should be a heading so that searches will identify and display correct decisions for the category requested.
- Use of preceents from one decision to another should be allowed. This would help in encouraging consistent decisions and identifying outliers for judges loathe to over turn decisions they consider made by qualified and impartial experts.

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[18] The director is a person appointed under s.8 of the Act to administer all matters under the Act.

- There also needs to be some assurance that the expertise actually exists. Those acting as “arbitrators” in these matters need special training considering complexity of the area, the specialized knowledge required, and the impact a decision can have on someone with limited capacity to find alternate housing.
- Decisions should also include the name of the community and of the company that owns the land if the landowner is a corporation. Naming the community and landowner would allow anyone considering a purchase to better assess the nature and extent of potential problems in the community. This sort of due diligence is important to a purchaser considering investing up to $300,000 in a home on rented land.

PROPOSAL

- *Provide an advocate to assist homeowners who need help dealing with the complexities of the dispute resolution process.*
- *Create a comprehensive database of decisions and related materials to expedite the dispute resolution process and help potential litigants decide whether it is worth pursuing.*
- *Arbitrators for home parks need to be specifically trained as this is a different and difficult area to adjudicate. Their decisions can have disastrous and unjust outcomes for the homeowners.*

PART III. SUMMARY OF RECOMMENDATIONS

1. ALTERNATIVE MODELS – RESIDENT OWNED COMMUNITIES

Part of the Task Force mandate is to explore alternate models that might be useful in an affordable homes strategy. One that fits with the context of our discussion is the “Resident Owned Communities” model used in many parts of the United States. Information on these communities can be found on the organization’s web site[19] or the websites of the many “ROCs” formed under this program. The web site provides a basic picture:

> In a resident-owned community (ROC), homeowners form a non-profit business called a cooperative. Each household is a Member of the cooperative, which owns the land and manages the business that is the community. Members continue to own their own homes individually and an equal share of the land beneath the entire neighborhood. There are many benefits to living in a ROC, including:
>
> - Control of monthly lot rent, community repairs and improvements;
> - Lifetime security against unfair eviction;

[19] For more detailed information see https://rocusa.org/.

- Liability protection (Members are not personally liable for association loans), and
- A strong sense of community.

In a ROC, Members continue to own their own homes individually and an equal share of the land beneath the entire neighborhood.

Everyone has a say in the way the ROC is run, and major decisions are made by democratic vote. Members elect a board of directors, which appoints committees to carry out various tasks and manage the day-to-day operations of the organization.

ROC USA helps resident groups in for-sale communities come together and purchase their neighbourhoods. It has Certified Technical Assistance Providers who work with the community to decide if the ROC approach is viable for their community. They look at the economics of the purchase and if it looks promising, speak to community members about the purchasing process. If the community decides to move forward, it needs to form a cooperative association to hold the land and hire impartial experts to assess the community's infrastructure and the purchase itself.

If the community wants to proceed, financing assistance is provided through ROC USA Capital a company that is equipped to meet the special needs of the resident corporations, from pre-development loans to community acquisition-permanent loans at 100% of a community's appraised value plus closing costs.

The details of this program are beyond this submission, but the model is worth exploring in creating a new framework to increase the usefulness of the co-investor community approach in addressing affordable housing needs.

2. THE SCOPE OF RECOMMENDATIONS

In this submission we have looked at problems with the current Act both in terms of its conceptual framework and its application in real life. And we have made many recommendations in terms of approach and concrete action. To be specific:

GENERAL FRAMEWORK

- Change the Act's name and terminology to replace landlord/tenant hierarchical concepts with ones reflecting a co-investor commitment to affordable housing communities.
- Include in the Act a corresponding statement of purpose that outlines its role in creating affordable housing.
- Restructure the Act so that it discourages land speculators but attracts investment by land investors interested in stable low risk long-term returns.

- Provide protection for home investors to ensure that not only is their investment reasonably secure – no need to fear loss of value from forced removal – but that their democratic right of participation in community governance is ensured.

Standard Land Use Agreement

- Use existing regulation making powers to prescribe a plain language standard form land use agreement developed with input from homeowners and landowners.
- Enable the standard form agreement to be amended, in other than core matters, by agreement of landowner and a majority of homeowners.

Community Governance

- Create, by Act or Regulation, a standard set of Standard Park Rules that apply to all communities and are unalterable, with the proviso that Local Park Rules can be made in certain specified circumstances by homeowner/landowner agreement.
- Create, by Act or regulation, a framework providing for Park Committees to make Local Park Rules subject to limits on infringement of the rights of the landowner or the homeowners.

Rent Increases

- Any cost of living indexing included should be based on an index that reflects actual landowner costs, not the basket of food, health and other services that make up most of the CPI.
- The automatic 2% should be dropped since it creates a perverse incentive to not make necessary improvements in order to pocket the windfall – the regulation already provides for the recovery of actual costs incurred in park renovations and upgrades.
- There should be no rent roll-in of utility and local tax costs: these should be straight pass-throughs of necessarily incurred expenses.
- Measures, such as temporarily capping top end rents, should be introduced to move rents to a cost recovery basis with rents related to service costs and land used.

Assign and Sublet

- Amend provisions that enable a landowner to unilaterally and without compensation reduce the value of a homeowner's property by limiting its use as housing for others in reasonable circumstances.

- Given the devaluing effect on the homeowner's interests, amend section 28(1) of the Act so that the landowner cannot prevent assignment or subletting of land use rights without showing cause, i.e. persuasive evidence of potential harm. And amend Part 7 of the regulation accordingly.

Relations with Municipal Governments

- Amend the Act and regulations to ensure residents of "Manufactured Home Parks" located in municipalities are not denied municipal services.
- Clarify municipal authority to enforce bylaws in "home parks".
- Require all municipalities to adopt a standard "home park" redevelopment bylaw that ensures if land is taken for a public purpose, homeowners are fully compensated for their loss.

Eviction for Cause

- Reduce the intimidation factor in the eviction process by providing trained advocate support for homeowners facing eviction.
- Recognize the reality of the challenges faced in moving a home by ensuring at least three months to make the move.
- Review the eviction process to eliminate unjustified harshness and ensure "the punishment fits the crime".

Compensation for Forced Moves

- Provide for full compensation to the homeowner when a government takes the land for other purposes. When compensation is paid there must be a legal requirement to fully compensate homeowners before final payouts to the landowner.

Dispute Resolution Process

- Provide an advocate to assist homeowners who need help dealing with the complexities of the dispute resolution process.
- Create a comprehensive database of decisions and related materials to expedite the dispute resolution process and help potential litigants decide whether it is worth pursuing.
- Ensure those involved in the dispute resolution process have the special training needed to deal with the complexities and difficulties of this specialized area as well as with the lack of sophistication of some of those who need their adjudication.

3. Process for future action

We have set out a vision of the future, a new paradigm for legislation, and have set out the problems that illustrate why a new approach is needed. The challenge now is how to go about addressing the problem areas and create a workable new model that will make the co-investor community approach a valuable tool in the affordable housing effort.

As the Association looking after the concerns and problems faced by homeowners on rented land in the province we have an unusual amount of information, knowledge, and experience. Therefore, it would be beneficial to meet with policy analysts and other staff to discuss in detail the changes needed and possible alternate solutions.

In the 1990's, the Tenancy Branch held meetings with their staff, policy analysts, park and homeowners. These meetings were of value to all resulting in some changes to the Act and Regulations as well as the Policy Guidelines that have helped many to understand the meaning and use of various terms in the Act and Regulations. We are pleased they are still in use today.

We suggest the Tenancy Branch look into setting up a similar working group with a mandate to explore all the issues related to creating a model and addressing the issues arising from the current Act and regulations. Such a group should be focused only on "Manufactured Home Act" issues, since they are significantly different from standard tenancy issues where there is no split in land ownership and home ownership.

4. Conclusion

For all its flaws, the Manufactured Home Parks Tenancy Act has made it possible for at least some of the people looking for affordable homes to find them. It has done so by splitting land ownership and home ownership so that a person with limited financial resources may still be able to own a good home in a good community. The purpose of this submission has been to look at how far we have come and ask what more we could do to expand the opportunity and improve the existing situation. We look forward to participating in a working group established for that purpose

PART IV. APPENDIX

A central theme of this submission is that the archaic conceptual model of landlord/tenant (over/under) reflected in the current Act creates an intolerable imbalance of power in favour of landowners. When that power is abused, and it is, homeowners suffer. Looking for help, hundreds of them turn to the AMHOA. In the submission we have dealt with changes needed in the Act and regulations to reduce the scope for inequities. It is not enough, however to talk in the abstract. To appreciate the need for change you have to live in the shoes of some of these residents. The following is a small sample of letters we have received from homeowners explaining their situation and calling for help. The names of the individuals and the Parks involved have been removed to protect privacy and reduce the potential for recrimination:

WHAT HOMEOWNERS SEND US:

Improper charges: *Effective November 8, 2014: All new tenants will be required to provide a three hundred and fifty dollar ($350.00) Administration fee at the time of applying for Tenancy. This fee is payable to Park Agent.*

We are in the process of selling our place. The lady that is buying was told she couldn't be approved into the park because we have a garage without a permit. The management has never sent anything to us about it. Only told her. The garage was built 8-10 years ago with approval of the previous manager. We only move into here in August of 2017 with the previous managers approval.

New managers were hired last fall. There is no polite way to describe their method of management. They openly admit they are not trained to do this job. Both parks are about 70% senior occupancy. Many have chronic health issues and some terminal. The managers started with a new tenant agreement that we didn't sign followed by a page and a half of new rules. Part of these new rules were to remove property the tenants owned, car shelters, storage units, vehicles and clothes lines when tenants tried to refuse they were given eviction notices. RULE THROUGH FEAR.

A few stood their ground and won in dispute resolution. As you know it's next to impossible for someone who is vulnerable to stick up for themselves. Those that say no are subjected to constant harassment and retaliation from the managers. Families have moved their elderly parents out of the parks to protect them. There has been a removal of services that isn't protected under the RTB Act. Seniors are finding this increasingly difficult. The situation has deteriorated to the point these managers are forcing tenants to dispute resolution over fence repairs. Most tenants dread them showing up to take pictures of themselves and their property.

Hi my name is -------------- I live in -------, B.C. and own a mobile home. My problem is that we have a park manager that does what he likes makes up his own rules for certain people and threatens to evict people who he does not have control over. I signed a rules and regulations when I moved in here 8 yrs ago and he claims that it does not exist. He has gotten angry when he doesn't here what he wants then he yells and threatens to hit you. He has done this to three people for sure I even have him on video yelling and trying to fight a resident.

He is sleeping with a resident here and by doing so she is allowed to do anything she wants. She does not have to use her driveway and has all her bikes, camper, trailer and the park managers car always parked in the visitor parking. If anyone else was to park there you are threatened with eviction.

I have a baby and he shuts the water off for days with no notification. He would not give me the owners phone number when I asked for it. I know of at least 4 people in this park who are ready to take a huge loss on our places to sell and just get away from him. I have spoke to the owner and he doesn't want to do anything about this problem. It is not only me it is almost half of the park.

Today he was digging in the ground for 3 hrs before he hit the main water line and again shut off our water. The thing that gets me is He saw me when I came home from school and never even mentioned that hey I'm working with the water lines and the water may get cut off today. All I ask for is proper notice so I can fill my bath tub up for water. There is a big hole in the ground that is open facing the street it has not been blocked or taped off for the public's safety. We have a lot of people that walk that road at night and all it takes is someone to slip and fall in and the park owner will be held responsible.

I have many photos that I have taken as evidence of what has been going on. The park manager has broken the confidentiality act as well as starting fights between neighbours. He said I was complaining about her animals for 2 days when in fact when I noticed I contacted her and I dealt with it our manager told her she was a liar that I never contacted her. I am so depressed living here I'm ready to do anything to get out even give it away. I just don't want to have to deal with him anymore. There is no respect here anymore. Please get back to me. I need help and direction as to what my options are.