

MANUFACTURED HOUSING POLICY SNAPSHOT: NEW JERSEY

MH COMMUNITY ISSUES:



Fundamental freedoms. Almost half the states affirmatively guarantee fundamental freedoms—such as the right to canvas their neighbors, hold meetings, distribute flyers, and invite public officials and candidates to speak—to residents of manufactured home communities. New Jersey provides no affirmative protections for these fundamental freedoms. However, its anti-retaliation law and its strong for-cause eviction law accomplish at least some of these purposes.



Protections against retaliation. Most states, even if they do not provide affirmative protections for fundamental freedoms, at least prohibit community owners from retaliating against residents for exercising these rights. New Jersey broadly prohibits retaliation for enforcing any rights, getting involved in an organization, or complaining about conditions.



Notice before community closure. About half the states require a substantial notice period before a manufactured home community closes. New Jersey's 18-month notice requirement is stronger than most states, but still only delays rather than prevents closure.



Purchase opportunity. The fundamental reason that homeowners in manufactured home communities are so vulnerable is that they do not own the land under their homes. New Jersey is one of eighteen states with a policy on the books that requires or encourages community owners to give residents the opportunity to purchase the land on which their homes sit. However, New Jersey's law is extremely weak because it applies only when the community is sold in contemplation of a change in use.



Protection against arbitrary eviction. Some states protect homeowners in manufactured home communities from eviction or nonrenewal of their lease unless they have done something wrong—failed to pay lot rent or violated a rule or a law. New Jersey's law provides this critically important protection. In addition NJ Law provides for criminal penalties for landlords who practice self-help evictions (evictions done outside the legal system).



Right to sell home in place. Manufactured home community owners can effectively prevent homeowners from selling their homes by reserving the right to reject any potential buyer as a resident. Many states—including New Jersey—prohibit arbitrary rejection of a buyer's application for residency.



Relocation expenses. About 15 states have programs, usually funded at least in part by community owners, for paying the costs of moving the homes if a manufactured home community closes. New Jersey's relocation expense laws apply only in special circumstances.



Administrative complaint procedure. Some states—but not New Jersey—offer a simple administrative procedure for resolving residents' complaints about their manufactured home community.



Requirement of lease of at least one year. About twenty states—including New Jersey—require the owner of a manufactured home community to offer homeowners leases of at least a year. This requirement provides a modicum of security of tenure.



Requirement that community owner maintain the community. Many states specifically require manufactured home community owners to maintain common areas, utility service, and other services so that they are clean, safe, and in good working order. New Jersey has only a general landlord-tenant law on this topic, and it does not focus on the particular problems in manufactured home communities nor does the state have a statewide registration system for manufactured housing communities or a community inspection program (which NJ does have for multifamily developments).



Resident ability to enforce the laws. A right without a remedy is unlikely to be effective. Recognizing this, many states specifically provide that residents have the right to enforce the manufactured home community protections. New Jersey provides specific remedies for several of its protections, and the others are usually enforceable through New Jersey's strong consumer protection laws and its for-cause eviction law.

TITLING ISSUES: Right to treat home as real property. In many states, manufactured homes cannot be treated as real property if they are located in land-lease communities. As a result, homeowners are relegated to high-cost chattel financing rather than regular mortgage loans. New Jersey's law allows manufactured homes to be treated as real estate in a wide range of circumstances, but only if the homeowner owns the land.

LICENSING ISSUES FOR NONPROFIT DEVELOPERS

A person may engage in the business of selling manufactured or mobile homes in New Jersey by obtaining either a motor vehicle dealer license or a real estate broker license. To be licensed as a dealer requires a criminal background check, a \$200 fee, and a permanent display building with at least 1000 square feet of space. A Next Step network member in New Jersey was already licensed as a retailer before joining Next Step.

STATE WEATHERIZATION PROGRAMS AND OTHER MH PROGRAMS

The New Jersey Weatherization program, administered by the New Jersey Department of Community Affairs, serves families living in manufactured housing under the same processes and rules as any other household. It has weatherized many manufactured homes particularly in Ocean and Atlantic Counties. In addition, PSE&G, Jersey Central Power & Light, and Elizabethtown Gas, several other investor-owned electric and gas companies offer the New Jersey Comfort Partners program, a no-cost efficiency program. It is open to low-income residents living in manufactured housing and includes direct install measures such as lighting, water conservation measures, refrigerator replacement, insulation upgrades, heating and cooling equipment maintenance and other measures.

STATE HOUSING FINANCE AGENCIES

The New Jersey Housing and Mortgage Finance Agency provides a number of programs for purchase, repair and down payment assistance. Though the mortgage program fact sheets do not make specific mention of MHs, the agency does accept loans underwritten to RHS, VA and FHA guidelines. Non-profit developers can access programs like CHOICE for new development or substantial rehabilitation. Eligible units include new construction or substantially rehabilitated one-family developed as fee simple units, condos and PUDs. However, there is no public funding earmarked for preservation of manufactured home communities or for infrastructure repairs or upgrades.

WHAT IS THE LOCAL/MUNICIPAL POLICY ENVIRONMENT?

Local zoning and fee simple manufactured homes

New Jersey has a strong statute prohibiting municipalities from excluding or restricting manufactured homes as long as they are at least 22' wide, are located on land that the homeowner owns, and are on a permanent foundation.

LOCAL ZONING AND PRESERVING COMMUNITIES

Moratoriums on Redevelopment

New Jersey law authorizes a municipality to place a moratorium of up to six months on development, but only in health emergencies.

Local Tax and Other Financial Incentives

New Jersey municipalities have not adopted tax or other financial incentives for preservation of manufactured home communities.

Local Rent Control

New Jersey has a strong tradition of local rent control. Many municipalities have adopted rent control ordinances for MH communities.

MH Inclusion in Consolidated Planning, Municipal Planning and Comprehensive Planning

New Jersey law places strong obligations on municipalities to promote and preserve affordable housing. New Jersey law encourages, but does not require, municipalities to consider manufactured home communities as a means of providing affordable housing.

POTENTIAL CHANGES TO NEW JERSEY'S LAWS

New Jersey's Law Revision Commission has recently "reviewed" all tenant Laws, including the Eviction for Just Cause Law and the Security Deposit Law. The commission has proposed sweeping changes to hard earned tenant protections. We expect it to be introduced in Bill form soon. This Law Revision Commission bill could essentially dismantle tenant protections in New Jersey.

STATE & LOCAL POLICY ADVOCATES' EFFORTS

A coalition of residents, affordable housing advocates, legal services attorneys, and private attorneys is active in New Jersey. Each year the Manufactured Home Owners Association of New Jersey sponsors the Manufactured Housing Taskforce and conducts organizing and education events throughout the state.

Their priorities include

- Protecting existing local rent control ordinances and creating a model rent stabilization ordinance for municipalities
- The establishment of a statewide community registration and inspection program to be administrated by the Department of Community Affairs.
- Creating proactive community preservation programs within the Department of Community Affairs and the Housing Mortgage Financing Agency.
- Enacting mandatory relocation and compensation laws to assist homeowners when communities close.
- The inclusion of leasehold manufactured homes owners in the municipal zoning process under the state Municipal Land Use Law.
- Including an exception and/or stay of eviction to allow for a reasonable period of time and access for the sale of a manufactured home.
- Providing changes to the law that terminates leases in land lease communities on death of tenant so that manufactured homes can be inherited in place or to allow estates to sell homes.
- Developing an alternative to landlord tenant courts for resolving homeowner / landlord disputes.
- Codifying the inclusion of manufactured home owners in the state Homestead Property Tax rebate and exemption programs.
- Supporting legislation that would require landlords to pay attorney fees and court costs to successful tenants if the lease reserves the landlord the same right.
- Developing a reduced cost/pro bono program for legal representation for manufactured housing community residents and groups.
- Working with the state to incorporate manufactured housing communities into the states COAH fair share affordable housing rules.
- Sponsoring improvements to the community purchase opportunity laws and the information included in the required notices.
- Advocating for the inclusion of manufactured housing community projects in municipal Community Development Block grant programs.