



Right of First Refusal for Residents of Rental and Manufactured Housing

The Problem: When rental or manufactured housing facilities face purchase by buyers who are investors, residents can often face big increases in rent or displacement. Properties that are sold and need repairs or significant rehabilitation end up facing rent increases to support those changes. Other times, an investor wants to change use of the property to condominiums or, in the case of manufactured housing properties, single-family homes or other more lucrative uses.

The Solution: Residents of these facilities should be empowered to purchase their buildings or parks without substantially or unnecessarily slowing down a transaction. The state should step in as a financial partner to provide financing to make acquisition possible if residents desire to own their buildings or properties as cooperative owners.

Legislative Proposal: Legislation would create a right of first refusal for tenants or residents that would be triggered by the property owner or the residents. A strict time window would be established for the state, the residents, and the property owner to reach terms for a sale. If terms could not be reached, relocation assistance would be required and would be paid to each household. No assignment of the right to purchase could be assigned to any other party.

Potential Partners: Land of Enchantment Manufactured Home Owners Alliance (LEMHOA), tenant advocates, and property owners.

Potential Opposition: The Apartment Association might oppose but might also be brought around to support provided the process for negotiation could benefit their members.

How will we pay for it? The state would need to commit to a revolving fund that could fund the purchase of properties with residents paying the state with their usual housing payments over time, or the state could back the purchase resulting in more favorable financing terms.

