

Case Study of the Financial Impacts on Homeowners: Thunderbird Mobile Club

Excerpt from *Policy Responses to the Closure of Mobile Home Parks in Oregon*

The experiences of the displaced residents of Thunderbird Mobile Club (TMC), profiled in Chapter 9, provide a means to explore the financial impacts of park closures on older adults. Cathy Kaufman, the president of the residents' association, maintained detailed records about the choices made by TMC residents when they learned that the owner intended to close the park. Additional information came from interviews with park residents and others close to the project.

Although each park is a unique community with its own distinctive character, TMC was not atypical of other senior (age 55 and older) parks in the state. About half of TMC residents (48%) were female single-person households, about a third (30%) were two-person households (most likely married couples), and the remainder (22%) were male single-person households. They had a very active community, with monthly resident meetings in the Club House and a busy schedule of social activities that included weekly knitting, oil painting and bowling gatherings, monthly social dinners, an annual yard sale and holiday bazaar, and much more (N. Downs & C. Kaufman, n.d.).

By fall 2007, approximately two and one-half years after the owner had first broached the topic of park closure with the residents, 163 households (62% of the 262 households who had lived there in 2004-05) had moved, and the plans of another 21 households were known (C. Kaufman, 2007). Thus, information is available about the choices made by approximately 70% of the households in TMC¹.

The table below shows that nearly three in five of households (59%) abandoned their homes and moved elsewhere. Slightly more than one of four households (28%) were able to recoup some of the value of their homes by selling them, but then had to find other places to live. Only 8% of the households were able to move their home to another park or other piece of land. Six percent of the residents died prior to the time that they would have had to move.

¹ Per an interview with Rosemary and Roy Acker on August 28, 2009, the number of units was reduced to 260-261 at some point, when two lots were merged into a single larger lot.

Status of household	Number of Households	Percent of Total Households
Homeowner abandoned home	108	59%
Went bankrupt	8	4%
Homeowner sold home	51	28%
Moved into care center/assisted living	11	6%
Moved in with family	4	2%
Homeowner moved home to another location	15	8%
Homeowner died ²	11	6%
Total households for whom status is known	184	100%

Source: Kaufman, C. (2007, November 11). *TMC Resident Information*. Copy in author's possession.

The types of financial impacts that residents experienced can be categorized by what happened to their homes. The fifty-nine percent of households who abandoned their homes lost their access to affordable housing, their primary financial asset and the value of tenant improvements to the site. They also incurred the cost of moving their personal effects. If they still owed money on the house, they faced the need to make payments on an asset they no longer owned. At least eight homeowners filed for bankruptcy as a result.

The 28% who were able to sell their homes were able to recoup some of the value of this asset. These displacees lost access to low-cost housing, their primary financial asset and the value of site improvements. They, too, incurred the cost of moving their personal property. Although the home sale provided resources to help cover these costs, some park residents felt that the buyers were taking advantage of their vulnerability and not paying a fair price for the homes. Cathy Kaufman witnessed a lot of these transactions and offered the following observation.

Seems like we have lots of empathy, but I don't think people truly understand the depth of what has really happened to us as residents who have been forced to leave our homes. You would think that those coming into the park to buy homes would also feel our loss and be fair with the homeowner when buying their homes, but no, it doesn't work that way, we are between a rock and a hard place and they know that, so they offer as little as possible for the homes. (C. Kaufman, personal communication, November 9, 2007)

The 8% who were able to move their homes lost the value of their tenant improvements and incurred moving costs. According to estimates developed by the Eugene committee working on amendments to the local ordinance, moving costs in their area averaged from \$17,385 for a singlewide to \$28,320 for a triplewide (written statement of Barbara Mitchell & Tom Mitchell, March 2, 2007, submitted to House

² Ten homeowners died before the time came to move. Another ten residents or former residents also died between summer 2005 and fall 2007.

Consumer Protection Committee). They also incurred costs associated with tenant improvements to the new site.

Tragically, six percent of the households died before moving. Another 8% were no longer able to live independently and either moved into a licensed adult care facility or with their family, typically their children. It is not known whether or how long the residents moving to housing with assistance would have been able to live independently if TMC had not closed.

The table below shows the financial assistance that HB 2735 would have provided to the residents of TMC, if it had applied to them³.

³ It did not apply because Wilsonville had adopted its own ordinance, which, if upheld by the courts, would provide a higher level of benefits to park residents than the provisions of HB 2735. Wilsonville's ordinance was not preempted by state law, per the provisions of HB 2735.

Table 12-2 How HB 2735 Addressed the Financial Impacts of Park Closures on Residents		
Financial Losses	Financial Assistance Before HB 2735	Financial Assistance Provided by HB 2735
<i>Residents Who Abandoned Homes (59% of TMC Households)</i>		
Value of home Moving costs of personal effects Loss of homeowner's site improvements Likely increase in housing costs	None, if owner gave 365-day notice. Resident liable for demolition costs	<ul style="list-style-type: none"> • \$5,000 - \$9,000 from park owner • \$5,000 refundable tax credit • Demolition costs paid by park owner
<i>Residents Who Sold Homes & Moved (28% of TMC Households)</i>		
Value of home less the value recaptured by selling it Moving costs of personal effects Loss of homeowner's site improvements Likely increase in housing costs	None, if owner gave 365-day notice	<ul style="list-style-type: none"> • \$5,000 - \$9,000 from park owner • \$5,000 refundable tax credit
<i>Residents Who Moved Homes (8% of TMC Households)</i>		
Loss of homeowner's site improvements at TMC Moving costs of home Moving costs of personal effects Improvements at new site Likely increase in space rent at new site.	Up to \$10,000 tax credit in moving costs if homeowner's annual income less than \$60,000. Tax credit was refundable if homeowner was low income (200% poverty level or less). Tax credit available only to residents who involuntarily moved their homes from January 1, 2007 through December 31, 2008; thus, it did not apply to most TMC residents.	<ul style="list-style-type: none"> • \$5,000 - \$9,000 from park owner • \$5,000 refundable tax credit

Before HB 2735, a maximum of 8% of the residents of TMC—those who moved their homes—might have had access to financial assistance, and the amount of this assistance (the refundable tax credit) was capped at \$10,000 and varied according to the cost to move the home and the household's income. It was available to residents who moved their homes in 2007 through 2008 in response to a park closure;

thus, it did not benefit most TMC residents who moved their homes. Because this assistance was provided by the state in the form of a tax credit, it was not available at the time of the move. After HB 2735, all residents would have had access to at least \$10,000 in assistance. At least \$2,500 was available when they gave notice that they were moving, and at least another \$2,500 was available shortly after they had moved. Although this amount does not begin to cover the costs enumerated in the first column in the table above, HB 2735 made assistance universal to all homeowners and required that some of it be provided when it was needed the most. This represents a significant improvement.

Although the percentages of residents who fall into each category will vary from park to park, this analysis of the financial impacts of park closure is applicable to any kind of park where the residents own their homes. Thus, the categories of the impacts of displacement and the remedies provided by HB 2735 are similar for parks where working class retirees live and for parks where working class families and individuals live. Within the categories, however, there are likely to be differences between the groups. For example, although both groups lose access to low cost housing when the park closes, the cost of a new residence for an older adult that must move into a licensed care facility (such as assisted living) is likely to be higher than that of a family that is able to rent an apartment or house.

Non-Financial Impacts on Homeowners

It is heart-rending to watch your friends and neighbors, one by one, scramble to find a way to relocate that is within their budget and, hopefully, in the same area where they can remain close to their friends, their doctors and their families. Some fight this stressful battle alone, while those who do not have the stamina or the means turn to the county or the city for help. Not many people, outside of a natural disaster or war, have to watch as their neighbors and friends pack up their trucks with their lives and wave goodbye. Some, of course, are still nearby but others have had to go farther away, where it is very unlikely that we will ever meet again.

Then, to watch as one by one your neighbors' homes are moved out, left empty, sold for little or nothing or knocked down and tossed into dumpsters and hauled away in pieces. Their lovingly tended yards and gardens are dug up by others and carried away or just sprayed with weed killer to turn brown.

And, finally, the street lamp for each home is removed, and your street becomes darker and darker as each family disappears. This is my story of the death of TMC. (Powell, 2007)

This letter to the editor, published by the local Wilsonville weekly in May 2007, was written by Jane Powell, a resident and one of the lead activists of TMC. It illustrates how the non-financial impacts of closures on homeowners may be difficult to quantify but are nevertheless real, especially to those experiencing them.

Residents of other parks testified at legislative public hearings about why they chose to live in a manufactured home park and what it would mean to them to lose this lifestyle. A Eugene resident of an

age-restricted park spoke about how she prized the independence that manufactured home parks gave them—“an independent life instead of existing on welfare programs” (Testimony of C. Ulrich, March 2, 2007, submitted to the House Consumer Protection Committee). Their advocates talked about how a park closure meant the loss of “their home, their friends and community” (Testimony of R. Bennett, AARP, March 2, 2007, submitted to the House Consumer Protection Committee). When they lose their park, they also lose access to affordable housing. It is unlikely that they will be able to find the housing with similar amenities at a price that they can afford in the same general area.

The anthropological literature offers a metaphor that begins to capture the totality of what was lost for these residents. Anthony Wallace (1957) coined the term “mazeway disintegration” to describe community disintegration and the loss of one’s tribe. He wrote, “Human beings can be described as organisms whose peculiarity it is to construct and modify, slowly and laboriously...very complicated sets of mazes for themselves...with elaborate interconnecting doors and pathways; and also to construct complex rules for interaction and even mutual aid in operating the maze, as ‘the way’ to satisfy their multifarious wants” (p. 24). Although Wallace was describing the construction of a culture over centuries, on a smaller scale people in community construct a maze of social relations and conventions that give rhythm, meaning and comfort to their day-to-day encounters. This maze is likely to be particularly important for those whose mobility is limited and therefore spend much of their time in the park and for those who, because of physical health or cognitive ability, are less resilient when faced with change. When the maze is ruptured or destroyed, Wallace said that individuals experience tremendous shock, lose their bearings and become temporarily unable to act with insight or judgment. The individual loses the knowledge of what steps to take next because the maze—the source of predictable options and outcomes—is gone.

Fried’s 1963 study of the forced relocation of residents of the West End of Boston due to urban renewal provided evidence of the actual impacts of community-wide displacement on residents. Fried documented the grief that residents experienced after moving. He described feelings of painful loss, continued longing for the home and community lost, symptoms of psychological distress, a sense of helplessness, anger, and a tendency to idealize that which was lost. Because of the multi-faceted nature of how humans at various life stages interact with their homes, its unexpected loss ripples through many aspects of a person’s being.

Mindy Thompson Fullilove, a physician and researcher, built on Wallace’s metaphor and developed the concept of “root shock,” the term she used to describe the consequences of uprooting and displacing whole communities. In her 2005 book on the impacts of urban renewal on African Americans in Roanoke, Philadelphia, Newark, and Pittsburgh, she explained her choice of this term as follows:

When I bumped into the emotional pain related to displacement, I had the option of using labels like “posttraumatic distress disorder,” “depression,” “anxiety,” and “adjustment disorders.” But I didn’t think those labels—useful as they are—were enough to tell the whole story...[about] the loss of a massive web of connections—a way of being—that had been destroyed. (Fullilove, 2005, pp. 3 – 4)

The gerontological literature supports the likelihood of negative consequences resulting from involuntary relocation of older adults. Relocation stress syndrome (RSS) is the medical term used to describe the physiological and psychosocial disturbances that occur as a result of an individual transferring from one environment to another. RSS can include anxiety, apprehension, increased confusion, depression and loneliness (Manion & Rantz, 1995; Walker, Curry & Hogstel, 2007). Diamond, McCance, King, Benoliel and Chang (1987) found that forced relocation did not affect all older adults equally or in the same ways. Older adults who experienced an involuntary location responded with varying degrees of grief, resulting in varying levels of decreased health, self-esteem and mood and with varying levels of increased worry and alienation. Schulz and Brenner (1977) argued that an older adult's response to a move is likely to be affected by the perceived predictability and controllability of events surrounding the move and the subsequent post-relocation environment. Subsequent research (Laughlin, 2005; Thomasma, Yeaworth & McCabe, 1990; Thorson, 1988) confirmed that the perception of control and the ability to make meaningful choices that affect the future are important predictors of the degree of ease with which older adults make environmental transitions. There is evidence to suggest that the period immediately prior to and after the relocation are the times of highest stress (Thomasma, Yeaworth & McCabe, 1990; Thorson, 1988).

This literature, drawn from the disciplines of anthropology, sociology, psychology, gerontology and community health, depicts the kinds of non-financial impacts that residents might be expected to experience when they lose their community. In the remaining section of this chapter, I explore the relevance of this research to the closure of manufactured home parks through analyzing data from focus groups and interviews that I conducted, and also from written testimony of park residents at public hearings.

During the summer of 2007, I collected data from seven focus groups comprised of park residents. The focus groups were conducted at seven different locations throughout the state. The sampling methodology and the data collection and analysis protocols are described in Appendix 2-2. Closure notices had been issued at two of the parks and a third park was for sale. Although the other parks were not known to be in immediate danger of closure, residents from a fourth park, located in an escalating real estate market, were concerned about their future. All participants were aware of closures that had happened throughout the state. Focus group topics included respondents' perspectives on manufactured home park living in general, their concerns about park closures, and the kinds of information and assistance that they would like to have when faced with a closure.

Focus group participants spoke about the strong sense of community that existed in their manufactured home parks. Participants from both family parks and age-restricted parks cited a sense of community and the feeling of personal safety that results as major benefits of living in a manufactured home park. Participants used phrases such as "It's very friendly," "Like a family situation," and "We live very comfortably here, like if we were a community," to describe how they felt about where they live and their connections with their neighbors. One father said that the kids played together in the protected private streets of the park as if they were part of one large family.

In age-restricted parks in particular, neighborly relationships helped to create a sense of physical security and safety. Residents said that they felt safe walking in their park after dark. One participant said, "I've lived in a [site-built] home for 45 years in a very nice neighborhood. Would I have sat in the living room with my front door and my back door open and unlocked? Not a bit, but I do it here [at my home in a manufactured housing park]." Participants at several parks said that residents routinely watch out for one another.

Social activities, both formal and spontaneous, seemed to play a major role in building community. One park had no scheduled social activities, but it did have a pool that served as social hub during warm weather months. Another park had a beautifully maintained clubhouse and an impressive list of groups and activities organized by residents. The social committee at the latter park published a monthly newsletter with a calendar of events, which ranged from cookouts to card clubs. One woman at an age-restricted club said that she would strongly recommend that recent widows choose a park with a lively schedule of activities. Social activities in the park were convenient to access (residents could walk to them) and provided an opportunity for interactions with familiar people.

The design and social structure of parks appear to offer a living environment in which residents can achieve a balance between community and personal privacy/autonomy. One participant described how this unusual combination of community and privacy functioned in her park as follows:

[The downside of getting too close to your neighbors is] nosiness, everybody knows your business. You don't want everyone to know your business...If you don't want to do this at 8:00, somebody is calling you [and asking], "How come you are not doing it at 8:00?" But the upside is that you know certain people in the community you live in, and, God forbid, you get sick or hurt, or something happens...[another participant finishes her sentence] they're there if you need somebody...[the original speaker continues] Then there's people there and you can turn on that 100%.

Physically, a manufactured home park can function a bit like a working class gated community. Many parks are inward-facing and oriented toward some central meeting place, such as a pool or clubhouse. Parks are often surrounded by a fence. Although there is no staffed gatehouse and hired security guards, entry into the park is often informally monitored by nearby residents; an unfamiliar vehicle or person is watched. Park streets are private roads that do not connect to the street grid around them. They are not built to public street standards and typically have a very low speed limit of 10 to 20 miles per hour. As an outsider, I had strong sense of entering a place that was territorially bounded, possessing a coherent internal structure that was distinctive from that of its surroundings, and socially controlled by the residents who lived there.

The sense of community at age-restricted parks appears to play a role in helping residents remain independent and age in place in their own home instead of having to move to housing that provides formal services. If a resident had not been seen for awhile, participants said that a neighbor would likely check on that person. Several said that if they needed assistance in an emergency, they felt that they could call their neighbors. A woman said that her father died peacefully because he knew that his wife would be taken care of by the other residents in the park where they lived.

When parks close, residents lose more than a place to live. Moving means being taken from a supportive and familiar network and entering an unfamiliar, often impersonal and sometimes (if they move into assisted living or another kind of adult care facility) a more institutionalized environment that can constrain their ability to live independently. It is difficult, if not impossible, to recreate at an affordable price the combination of community and privacy, of community-friendly design and private space, offered by manufactured home parks.

Most residents also lose their home when parks close because they are unable to move it. For most people, home is more than shelter. It means comfort, personal safety and the ability to express oneself within a private domain. For many, it anchors one's sense of well being. It profoundly affects one's sense of belonging in the world. For older adults with limited mobility, it is the place where their daily lives unfold.

Although the homes of park residents may seem modest and even undesirable to those who do not live in them, to many focus group residents, living in them represented a preferred lifestyle, given the other options available. They were attracted to manufactured home park living because of the lower housing costs, the smaller yards that required less maintenance and the benefits of one-story living, which was especially important to older adults. They cherished the privacy associated with being able to live in their own homes. Residents who were not able to move their homes lost these benefits when they were forced to relocate.

Data on homelessness statewide indicates that, for some park residents, closure meant the loss of shelter entirely. As reported previously, according to the state's One Night Homeless Count for 2007, at least 28 households—70 to 90 individuals (including 31 young children under the age of 12)—cited the closure of their manufactured home park as a reason for their homelessness. Some may have been homeowners; others may have been renters. The physical, psychological and (for children) educational and developmental impacts of homelessness are well-documented as being severe.⁴ Fitzpatrick and LaGory (2000) frame the impacts of homelessness as erosion of social supports and inner resources that permit housed individuals to withstand health stressors that people experience on a day-to-day basis. They describe the condition of homelessness as being “profoundly pathological, denying the most basic needs of food, shelter, clothing and defense” (p. 147).

For a few, the abrupt loss of home and community was too much to bear. When I visited manufactured home parks that had received closure notices, it was not uncommon to hear stories about residents who had become despondent over the prospects of their forced move. One particularly poignant story was about an older resident with dementia, a former resident of TMC, who drowned while attempting to find her way back to Wilsonville from her new residence in Oregon City. Her body was found in a creek

⁴ See, for example, the publications available through the The National Coalition for the Homeless (<http://www.nationalhomeless.org/>), the National Alliance to End Homelessness (<http://www.endhomelessness.org/>), the US Department of Health and Human Services' webpage on homelessness (<http://www.hhs.gov/homeless/>), the Coalition for Supportive Housing (<http://www.csh.org/>), the Homelessness Resource Center of the Substance Abuse and Mental Health Services Administration (<http://www.nrchmi.samhsa.gov/Default.aspx>), and the National Low Income Housing Coalition (<http://www.nlihc.org/template/index.cfm>) .

bed (P. Ferris, personal communication, November 27, 2007). Other stories were less dramatic, but quite a few ended in the death of the resident. These anecdotal accounts of the death of residents in the wake of park closure announcements raised the question of whether there might be a statistically significant relationship between park closures and mortality rates.

Unfortunately, data needed to determine whether the death rate of park residents was significantly higher than persons of their age and race were not available. The closest approximation to this kind of information came from Thunderbird Mobile Court, but, even in this case, the ages of park residents were not known. According to Cathy Kaufman, 20 residents of the approximately 240 residents whose status was known died between summer 2005 and November 2007, a period of approximately 2.5 years. This translates to an annual mortality rate of 34.56 per thousand residents. According to the Center for Disease Control, the annual mortality rate of white persons in the U.S. by age group in 2006 was as follows:

Table 12-3 Mortality Rate per 1,000 Persons in the US, 2006 White, Ages 55 and Older	
Age range	Mortality rate
55- 59 years	7.301
60-64 years	11.102
65-69 years	16.565
70-74 years	25.548
75-79 years	40. 334
80 – 84 years	65.240
85 years and older	132.531

Source: Center for Disease Control, National Vital Statistics Report, April 17, 2009, Volume 57, Number 14, Table 3

This chart indicates that, for a mortality rate of 34.56 per thousand to be normal, the average age of TMC residents would likely have had to have been in the 75 to 79 year range. Since the ages of park residents are not known, it is not possible to tell whether more park residents died than what would have been normal for their age groups. Although a conclusive finding is not possible, this analysis supports the need for a more rigorous inquiry into the relationship between park closure and mortality rates. This remains an area for future research.

The homeownership assistance strategies of the 2007 session did not directly address any of these non-financial impacts on displacees. It is likely, however, that the testimony of residents during the session and the extensive media coverage about the personal stories of displacees increased the pressure on legislators to address this issue before the session ended. The legislative initiative to preserve parks, HB 2096 and related bills, attempted to preserve and enhance this environment through resident ownership. The impact of the preservation approach was limited, however; only two parks were converted to resident ownership using the provisions of this legislation by fall 2009, more than two years after the end of the session.

This meant that the park residents, their support networks of family and friends, and the communities where they lived (local governments and organizations) absorbed the majority of the impacts of park closures. The next section considers the impact of park closures on local communities.

Excerpt from:

Tremoulet, A. (2010). *Policy responses to the closure of manufactured home parks in Oregon* (Doctoral dissertation). Retrieved from ProQuest Dissertations & Theses (Publication No. AAT 3389414).